

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED LIMITED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: 31/12/09

COMPANY TAX ID NO. (CIF): A-28294726

Corporate name: ENAGAS, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

For a better understanding of the model and its subsequent preparation, please read the instructions provided at the end before filling it out.

A - OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's 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

Indicate whether different types of shares exist with different associated rights.

NO

A.2 List the direct and indirect holders of significant ownership interests in your organisation at year-end, excluding directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ATALAYA INVERSIONES, S.R.L.	0	11,936,714	5.000
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	0	11,937,395	5.000
OMAN OIL COMPANY, S.A.O.C.	0	11,936,702	5.000

Name or corporate name of indirect shareholder	Through: name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	CANTABRICA DE INVERSIONES DE CARTERA, S.L. (CIC, S.L.)	11,937,395	5.000
ATALAYA INVERSIONES, S.R.L.	SAGANE INVERSIONES, S.L.	11,936,714	5.000
OMAN OIL COMPANY, S.A.O.C.	OMAN OIL HOLDINGS SPAIN S.L.U.	11,936,702	5.000

Indicate the most significant movements in the shareholder structure during the year.

A.3 Complete the following tables on company directors holding voting rights through company shares.

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ANTONIO LLARDÉN CARRATALÁ	38,316	0	0.016
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	0	11,936,713	5.000
ANTONIO TELLEZ PERALTA	400	0	0.000
BILBAO BIZKAIA KUTXA (BBK)	0	11,936,713	5.000
DIONISIO MARTÍNEZ MARTÍNEZ	2,010	0	0.001
LUIS JAVIER NAVARRO VIGIL	10	3,986	0.002
MARTÍ PARELLADA SABATA	910	0	0.000
MARÍA TERESA GARCÍA-MILÁ LLOVERAS	1,500	0	0.001
RAMÓN PÉREZ SIMARRO	100	0	0.000
SAGANE INVERSIONES, S.L.	11,936,714	0	5.000
SEPI (SPANISH STATE HOLDING COMPANY)	11,936,713	0	5.000

Name or corporate name of indirect shareholder	Through: name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	BANCAJA INVERSIONES, S.A.	11,936,713	5.000
BILBAO BIZKAIA KUTXA (BBK)	KARTERA 1, S.L.	11,936,713	5.000
LUIS JAVIER NAVARRO VIGIL	NEWCOMER 2000, S.L.U.	3,986	0.002

% of total voting rights held by the Board of Directors	20.020
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Complete the following tables on share options held by directors.

Where applicable, list any family, commercial, contractual or corporate relationships between owners of significant shareholdings that the company is aware of, unless they are of little relevance or arise from ordinary trading or exchange:

A.5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Type of relationship

Commercial

Brief description:

GUARANTEE LINE AGREEMENT. AMOUNT (IN THOUSANDS €): 12,000.

Name or corporate name of related party
CAJA DE AHORROS DE ASTURIAS

Type of relationship

Commercial

Brief description:

INTEREST RATE HEDGING AGREEMENT (COLLAR) FOR THE PERIOD JAN 2008-JAN 2010. AMOUNT (IN THOUSANDS €): 50,000.

Name or corporate name of related party
CAJA DE AHORROS DE ASTURIAS

Type of relationship

Commercial

Brief description:

CREDIT POLICY AGREEMENT. AMOUNT (IN THOUSANDS €): 6,000.

Name or corporate name of related party
CAJA DE AHORROS DE ASTURIAS

Type of relationship

Commercial

Brief description:

LOAN GRANTED BY ENAGÁS. AMOUNT (IN THOUSANDS €): 30,000.

Name or corporate name of related party
CAJA DE AHORROS DE ASTURIAS

Type of relationship

Commercial

Brief description:

PARTICIPATION OF CAJASTUR IN LOAN (CLUB DEAL) SIGNED 24/01/04 AND PAID 10/01/05, WHICH WAS REPAID EARLY ON 10/07/09. AMOUNT (IN THOUSANDS €): 65,000.

Name or corporate name of related party
CAJA DE AHORROS DE ASTURIAS

Type of relationship

Corporate

Brief description:

PAYMENT OF FINAL DIVIDEND: 4,663; INTERIM DIVIDEND: 3,104; TOTAL DIVIDEND FOR 2008 FINANCIAL YEAR: 7,767; INTERIM DIVIDEND 2009 3.378. TOTAL DIVIDEND FOR 2009 FINANCIAL YEAR: 11,145 (ALL AMOUNTS IN THOUSANDS €).

Name or corporate name of related party
SAGANE INVERSIONES, S.L.

Type of relationship

Corporate

Brief description:

PAYMENT OF FINAL DIVIDEND: 4,663; INTERIM DIVIDEND: 3,104; TOTAL DIVIDEND FOR 2008 FINANCIAL YEAR: 7,767; INTERIM DIVIDEND FOR 2009 FINANCIAL YEAR: 3.378. TOTAL DIVIDEND FOR 2009 FINANCIAL YEAR: 11,145.

Name or corporate name of related party
CANTABRICA DE INVERSIONES DE CARTERA, S.L.
BANCAJA INVERSIONES, S.A.

Type of relationship

Corporate

Brief description:

PAYMENT OF FINAL DIVIDEND: 4,663; INTERIM DIVIDEND FOR 2009 FINANCIAL YEAR: 3,378; TOTAL DIVIDEND FOR 2009 FINANCIAL YEAR: 8,041.

Name or corporate name of related party
OMAN OIL HOLDINGS SPAIN S.L.U.

Type of relationship

Corporate

Brief description:

PAYMENT OF FINAL DIVIDEND: 4,663; INTERIM DIVIDEND: 3,104; TOTAL DIVIDEND FOR 2008 FINANCIAL YEAR: 7,767;
INTERIM DIVIDEND FOR 2009 FINANCIAL YEAR: 3.378. TOTAL DIVIDEND FOR 2009 FINANCIAL YEAR: 11,145.

Name or corporate name of related party
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES

Type of relationship

Commercial

Brief description:

INTEREST RATE HEDGING AGREEMENT (COLLAR) FOR THE PERIOD OCT 2008-JAN 2010. AMOUNT (IN THOUSANDS €):
50,000

Name or corporate name of related party
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA

Type of relationship

Commercial

Brief description:

PROVISION OF CREDIT LINE. AMOUNT (IN THOUSANDS €): 6,000.

Name or corporate name of related party
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA

Type of relationship

Commercial

Brief description:

PROVISION OF GUARANTEE LINE. AMOUNT (IN THOUSANDS €): 6,000.

Name or corporate name of related party
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA

Type of relationship

Commercial

Brief description:

LOAN GRANTED BY ENAGÁS. AMOUNT (IN THOUSANDS €): 50,000.

Name or corporate name of related party
BILBAO BIZKAIA KUTXA (BBK)

Type of relationship

Commercial

Brief description:

PROVISION OF CREDIT LINE. AMOUNT (IN THOUSANDS €): 12,000.

Name or corporate name of related party
BILBAO BIZKAIA KUTXA (BBK)

Type of relationship

Commercial

Brief description:

PROVISION OF GUARANTEE LINE. AMOUNT (IN THOUSANDS €): 6,000.

Name or corporate name of related party
BILBAO BIZKAIA KUTXA (BBK)

Type of relationship

Commercial

Brief description:

INTEREST RATE HEDGING AGREEMENT (COLLAR) FOR THE PERIOD OCT 2008-JAN 2010. AMOUNT (IN THOUSANDS €): 30,000

Name or corporate name of related party
BILBAO BIZKAIA KUTXA (BBK)

Type of relationship

Corporate

Brief description:

PAYMENT OF FINAL DIVIDEND: 4,663; INTERIM DIVIDEND: 3,104; TOTAL DIVIDEND FOR 2008 FINANCIAL YEAR: 7,767; INTERIM DIVIDEND FOR 2009 FINANCIAL YEAR: 3,378. TOTAL DIVIDEND FOR 2009 FINANCIAL YEAR: 11,145.

Name or corporate name of related party
BILBAO BIZKAIA KUTXA (BBK)

A.6. Indicate whether any shareholders' agreements have been notified to the company pursuant to article 112 of the Securities' Market Act (Ley del Mercado de Valores). Provide a brief description and list the shareholders bound by the agreement, as applicable.

NO

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

NO

Expressly indicate any amendments to or terminations of such agreements or concerted actions during the year.

Not applicable

A.7. Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Spanish Securities' Market Act: If so, identify.

Not applicable

A.8 Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
0	0	0.000

(*) Through:

Total	0
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Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007.

Gain/(loss) on treasury shares during the year	0
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Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Directors to purchase and/or transfer the treasury shares.

There is no mandate in force by the GSM to the Board of Directors for the purchase and/or transfer of treasury shares.

A.10 Indicate, as applicable, any restrictions imposed by Law or the company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on exercising voting rights.

YES

Maximum percentage of legal restrictions on voting rights a shareholder can exercise	
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Indicate whether there are any restrictions included in the bylaws on exercising voting rights.

YES

Maximum percentage of restrictions under the company's bylaws on voting rights a shareholder can exercise	3.000
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Description of restrictions under law or the company's bylaws on exercising voting rights

Article 6a bis ("Limitation of interest in share capital and of the exercise of voting rights") of the Company bylaws was amended at the Extraordinary General Shareholders' Meeting held 31 October 2007 to bring it in line with 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 new wording for the 20th Additional Provision of the Hydrocarbons Industry Act, which vests in Enagás, S.A. the capacity of "technical system operator" and sets ceilings on shareholdings in the Company. The wording of the 20th Additional Provision now stands as follows:

"20th Additional Provision. The Company ENAGÁS, Sociedad Anónima, shall assume the functions, rights and obligations of Technical System Manager of the gas system. (...)

No individual or body corporate may hold a direct or indirect stake of more than 5% in the equity capital of the Company responsible for the technical management of the system, nor may they exercise voting rights in such Company of over 3%. Under no circumstances may such share holdings be syndicated. Those parties that operate within the gas sector, including those natural persons or bodies corporate that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the System Technical Manager of over 1%. These restrictions will not apply to direct or indirect interests held by public-sector enterprises. Under no circumstances may equity holdings be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.

For the purposes of calculating the stake in that shareholding structure, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by article 4 of Act 24/1988, dated 28 July, on the Securities Market stakes shall be attributed to one and the same individual or body corporate when they are owned by:

- a) Those parties who act in their own name but on behalf of that individual or body corporate in a concerted fashion or forming a decision-making unit with them. Unless proven otherwise, it shall be deemed that the members of the Board of Directors of a body.
- b) The partners together with whom that individual or body corporate exercises control over a controlled entity under the provisions of article 4 of Act 24/1988, dated 28 July, governing the Securities Market. Nonetheless, both the actual ownership of the shares and other securities and the voting rights held through any certificate shall be taken into account.

Non-compliance with the limitation on a stake in the capital referred to in this article shall be deemed a very serious breach in accordance with the terms set out in article 109 of this Act. Responsibility shall lie with the individuals or bodies corporate that end up as owners of the securities or whoever the excess stake in the capital or in the voting rights can be attributed to, pursuant to the provisions of the preceding paragraphs. Whatever the case, the penalty system stipulated herein will apply.

The 6th Transitional Provision of Act 12/2007 of 2 July provides that within four months of its coming into force, Enagás, S.A. shall bring its by laws in line with the 20th Additional Provision of Act 34/1998 of 7 October (the Hydrocarbons Industry Act). The 2nd Transitional Provision of Act 12/2007 of 2 July further prescribes:

2nd Transitional Provision. Technical System Operator. Any voting rights attaching to shares and other securities held by persons with an ownership interest in the share capital of ENAGÁS, Sociedad Anónima, in excess of the ceilings set forth in the 20th Additional Provision of the Hydrocarbons Industry Act shall be suspended as from the coming into force of this provision.

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

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

No individual or body corporate may hold a direct or indirect stake of more than 5% in the equity capital of the Company responsible for the technical management of the system, nor may they exercise voting rights in such Company of over 3%. Under no circumstances may such share holdings be syndicated. Those parties that operate within the gas sector, including those natural persons or bodies corporate that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the System Technical Manager of over 1%. These restrictions will not apply to direct or indirect interests held by the public sector ownership. Under no circumstances may equity holdings 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, there shall apply the 20th Additional Provision Act 34/1998 of 7 October (the Hydrocarbons Industry Act)..

Indicate if there are any legal restrictions on the acquisition or transfer of share capital.

YES

Description of legal restrictions on the acquisition or transfer of share capital
In accordance with the provisions of the 20th Additional Provision of Act 34/1998, article 6 bis of the Company bylaws establishes that no individual or body corporate may hold a direct or indirect stake of more than 5% in the equity capital of the Company responsible for the technical management of the system. Under no circumstances may such share holdings be syndicated. These restrictions will not apply to direct or indirect interests held by the public sector ownership. Under no circumstances may share capital be syndicated.

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

NO

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

B – COMPANY MANAGEMENT STRUCTURE

B.1 Board of directors

B.1.1. List the maximum and minimum number of directors included in the bylaws.

Maximum number of directors	17
Minimum number of directors	6

B.1.2. Complete the following table with board members' details.

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
ANTONIO LLARDÉN CARRATALÁ	--	CHAIRMAN	22/04/06	22/04/06	VOTE AT GENERAL SHAREHOLDERS' MEETING
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	JOSÉ LUIS OLIVAS MARTÍNEZ	VICE-CHAIRMAN	09/07/02	11/05/07	VOTE AT GENERAL SHAREHOLDERS' MEETING
ANTONIO TELLEZ PERALTA	--	DIRECTOR	19/09/05	22/04/06	CO-OPTION
BILBAO BIZKAIA KUTXA (BBK)	JOSEBA ANDONI AURREKOETXEA BERGARA	DIRECTOR	28/11/07	25/04/08	CO-OPTION

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
DIONISIO MARTÍNEZ MARTÍNEZ	--	DIRECTOR	31/05/02	22/04/06	VOTE AT GENERAL SHAREHOLDERS' MEETING
JESÚS DAVID ÁLVAREZ MEZQUÍRIZ	--	DIRECTOR	25/04/03	11/05/07	VOTE AT GENERAL SHAREHOLDERS' MEETING
JOSÉ RIVA FRANCOS	--	DIRECTOR	31/05/02	22/04/06	VOTE AT GENERAL SHAREHOLDERS' MEETING
LUIS JAVIER NAVARRO VIGIL	--	DIRECTOR	09/07/02	11/05/07	CO-OPTION
MARTÍ PARELLADA SABATA	--	DIRECTOR	17/03/05	22/04/05	CO-OPTION
MARÍA TERESA GARCÍA-MILÁ LLOVERAS	--	DIRECTOR	22/04/06	22/04/06	VOTE AT GENERAL SHAREHOLDERS' MEETING
MIGUEL ÁNGEL LASHERAS MERINO	--	DIRECTOR	22/04/06	22/04/06	VOTE AT GENERAL SHAREHOLDERS' MEETING
PEÑA RUEDA, S.L. UNIPERSONAL	MANUEL MENÉNDEZ MENÉNDEZ	DIRECTOR	30/04/04	25/04/08	VOTE AT GENERAL SHAREHOLDERS' MEETING
RAMÓN PÉREZ SIMARRO	--	DIRECTOR	17/06/04	27/03/09	CO-OPTION
SAGANE INVERSIONES, S.L.	MR. CARLOS EGEA KRAUEL	DIRECTOR	27/04/09	27/04/09	CO-OPTION
SAID MOHAMED ABDULAH AL MASOUDI	--	DIRECTOR	27/07/09	27/07/09	CO-OPTION
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	ENRIQUE MARTÍNEZ ROBLES	DIRECTOR	25/04/08	25/04/08	VOTE AT GENERAL SHAREHOLDERS' MEETING

Total number of directors	16
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Indicate any Board members who left during this period.

Name or corporate name of director	Status of the director at the time	Leaving date
SALVADOR GABARRÓ SERRA	PROPRIETARY	07/04/09
CARLOS EGEA KRAUEL	PROPRIETARY	27/04/09

B.1.3. Complete the following tables on Board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
ANTONIO LLARDÉN CARRATALÁ	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CHAIRMAN

Total number of executive directors	1
% of the board	6.250

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	BANCAJA INVERSIONES, S.A.
BILBAO BIZKAIA KUTXA (BBK)	APPOINTMENTS AND REMUNERATIONS COMMITTEE	BILBAO BIZKAIA KUTXA (BBK)
PEÑA RUEDA, S.L. UNIPERSONAL	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS DE ASTURIAS
SAGANE INVERSIONES, S.L.	APPOINTMENTS AND REMUNERATIONS COMMITTEE	SAGANE INVERSIONES, S.L.
SAID MOHAMED ABDULAH AL MASOUDI	APPOINTMENTS AND REMUNERATIONS COMMITTEE	OMAN OIL HOLDINGS SPAIN S.L.U.

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	APPOINTMENTS AND REMUNERATIONS COMMITTEE	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)

Total number of proprietary directors	6
% of the board	37.500

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director

ANTONIO TELLEZ PERALTA

Profile

FORMER PROFESSOR OF THE POLYTECHNIC UNIVERSITY OF MADRID. – FORMER GENERAL MANAGER OF ENAGÁS, S.A. – FORMER MANAGING DIRECTOR OF GAS NATURAL SDG, S.A. – FORMER MANAGING DIRECTOR OF CLH. – FORMER CHAIRMAN OF TERQUIMSA, S.A. – FORMER CHAIRMAN OF GRUPO COINTRA. – FORMER GENERAL MANAGER OF OPERATIONS AT GRUPO LECHE PASCUAL. – FORMER GENERAL MANAGER OF BIOCARBURANTES PENINSULARES. AND TECHNOLOGIST AT THE TECHNOLOGY CENTRE (CTR) OF REPSOL-YPF.

Name or corporate name of director

DIONISIO MARTÍNEZ MARTÍNEZ

Profile

LAWYER AND FORMER SECRETARY OF THE BOARD OF EBN BANCO DE NEGOCIOS, S.A.

Name or corporate name of director

JESÚS DAVID ÁLVAREZ MEZQUÍRIZ

Profile

CHAIRMAN OF BIOCARBURANTES PENINSULARES, S.L.; DIRECTOR OF BODEGAS VEGA SICILIA, S.A; CEO OF EULEN, S.A. AND DIRECTOR OF ENEBRO, S.A.

Name or corporate name of director

JOSÉ RIVA FRANCOS

Profile

DIRECTOR OF LOGISTA, S.A.; VICE-CHAIRMAN AND CEO OF GRUPO SUARDIAZ COMPANIES.

Name or corporate name of director

MARTÍ PARELLADA SABATA

Profile

CHAIRMAN OF COMFORSA.; DIRECTOR OF EPLICSA, DIRECTOR OF GRUPO MGO, S.A., PATRON OF THE ICO FOUNDATION AND VICE-CHAIRMAN OF THE BARCELONA ECONOMICS INSTITUTE FOUNDATION.

Name or corporate name of director

MARÍA TERESA GARCÍA-MILÁ LLOVERAS

Profile

PROFESSOR OF ECONOMICS AND DEPUTY RECTOR OF POLITICS AT THE UNIVERSIDAD POMPEU FABRA (UPF); DIRECTOR AND CHAIR OF THE AUDIT AND CONTROL COMMITTEE OF BANCO SABADELL, S.A.; MEMBER OF THE CÍRCULO DE ECONOMÍA AND MEMBER OF THE MANAGING BOARD OF THE CENTRE DE RESERCA EN ECONOMÍA INTERNACIONAL (CREI)

Name or corporate name of director

MIGUEL ÁNGEL LASHERAS MERINO

Profile

CHAIRMAN OF INTERMONEY ENERGÍA, S.A. AND WIND TO MARKET, S.A.

Name or corporate name of director

RAMÓN PÉREZ SIMARRO

Profile

FORMER GENERAL MANAGER FOR ENERGY; FORMER GENERAL SECRETARY OF ENERGY AND MINERAL RESOURCES; FORMER TECHNICAL SECRETARY GENERAL OF THE MINISTRY OF INDUSTRY; FORMER PROFESSOR OF THE UNIVERSIDAD AUTÓNOMA DE MADRID AND FORMER ACADEMIC DIRECTOR OF THE REPSOL YPF FOUNDATION

Total number of independent directors	8
% of the board	50.000

OTHER EXTERNAL DIRECTORS

Name or corporate name of director	Committee proposing appointment
LUIS JAVIER NAVARRO VIGIL	APPOINTMENTS AND REMUNERATIONS COMMITTEE

Total number of other external directors	1
% of the board	6.250

List the reasons why these cannot be considered proprietary or independent directors and detail their relationships with the company, its executives or shareholders.

Name or corporate name of director

LUIS JAVIER NAVARRO VIGIL

Company, executive or shareholder with whom the relationship is maintained

BP ESPAÑA, S.A.

Reasons

The shareholder (B.P. España S.A.U.) proposing the appointment as Proprietary Director on 15/11/06 sold its shareholding in the Company. However, Mr. Navarro is not considered to be an Independent Director as he maintains or has maintained a significant business relationship with the Company. Nonetheless, it was decided to classify him under the category of "Other External Directors" as he did not meet all the conditions required to be classified as an "Independent Director" as stipulated by the "Unified Good Governance Code" related to Order ECO/3722/2003 of 26 December and CNMV Circular 4/2007 of 27 December.

List any changes in the category of each director which have occurred during the year.

B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

Not applicable

B.1.5 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director.

YES

Name of director

CARLOS EGEA KRAUEL

Reasons for resignation

On 27 April 2009 Mr. Egea, a Proprietary Director appointed at the proposal of SAGANE INVERSIONES, S.L., tendered his resignation. On the same date, the Board of Enagás, S.A. agreed to co-opt Mr. Egea as legal person director representing SAGANE INVERSIONES, S.L., (he had previously been a natural person director), at the proposal of SAGANE INVERSIONES, S.L., thereby maintaining his position as Proprietary Director.

At the same board meeting, the members agreed to appoint SAGANE INVERSIONES, S.L., represented by Mr. Egea, as member of the Appointments and Remuneration Committee and the resignation of Mr. Egea from the Audit and Compliance Committee.

Name of director

SALVADOR GABARRÓ SERRA

Reasons for resignation

On 7 April Mr. Gabarró, a Proprietary Director appointed at the proposal of GAS NATURAL SDG, S.A., tendered his resignation. His resignation means he will also cease to serve as Chairman and member of the Board's Appointments and Remuneration Committee.

Mr. Gabarró resigned so that GAS NATURAL SDG, S.A. could comply with the Comisión Nacional de la Competencia's ruling of 12 February 2008, authorising the transaction whereby GAS NATURAL SDG, S.A. would take control of UNIÓN FENOSA, S.A.

B.1.6. Indicate what powers, if any, have been delegated to the Chief Executive Officer.

B.1.7. List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group.

B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name	Name of listed company	Post
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	NH HOTELES. S.A.	DIRECTOR
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	BANCO DE VALENCIA. S.A.	CHAIRMAN
JOSÉ RIVA FRANCOS	COMPAÑÍA DE DISTRIBUCION INTEGRAL LOGISTA. S.A.	DIRECTOR
MARÍA TERESA GARCÍA-MILÁ LLOVERAS	BANCO DE SABADELL. S.A.	DIRECTOR

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

NO

B.1.10 In relation with Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

Investment and financing policy	YES
Design of the structure of the corporate group	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
The strategic or business plans, management targets and annual budgets	YES
Remuneration and evaluation of senior officers	YES

Risk control and management, and the periodic monitoring of internal information and control systems	YES
Dividend policy, as well as the policies and limits applying to treasury stock	YES

B.1.11. Complete the following tables on the aggregate remuneration paid to directors during the year.

a) In the reporting company:

Concept	In thousands €
Fixed remuneration	924
Variable remuneration	554
Per diems	1,155
Statutory compensation	0
Share options and/or other financial instruments	0
Other	79

Total	2,712
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Other benefits	In thousands €
Advances	0
Loans	0
Funds and pension plans: Contributions	10
Funds and pension plans: Obligations	0
Life insurance premiums	68
Guarantees issued by the company in favour of directors	0

b) For company directors sitting on other governing bodies and/or holding senior management posts within group companies:

Concept	In thousands €
Fixed remuneration	0
Variable remuneration	0
Per diems	0
Statutory compensation	0
Share options and/or other financial instruments	0
Other	0

Total	0
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Other benefits	In thousands €
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	0
Guarantees issued by the company in favour of directors	0

c) Total remuneration by type of director:

Type of director	By company	By group
Executive Directors	1,621	0
External Controlling Directors	436	0
External Independent Directors	579	0
Other External Directors	76	0
Total	2,712	0

d) Remuneration as percentage of profit attributable to the parent company:

Total remuneration received by directors (in thousands €)	2,712
Total remuneration received by directors/profit attributable to parent company (%)	1.0

B.1.12 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year.

Name or corporate name	Post
JOSÉ ESPEJO SERRANO	INTERNAL AUDITOR
DIEGO DE REINA LOVERA	FINANCIAL DIRECTOR
ANTONIO GARCÍA MATEO	GENERAL DIRECTOR OF TECHNOLOGY, ENGINEERING AND PURCHASES
RAMÓN SÁNCHEZ VALERA	GENERAL DIRECTOR OF INFRASTRUCTURE DEPARTMENT AND THIRD-PARTY ACCESS (TPA) SERVICES
FRANCISCO JAVIER GONZÁLEZ JULIÁ	TECHNICAL SYSTEM OPERATOR DEPARTMENT
ERUNDINO NEIRA QUINTAS	DIRECTOR OF RESOURCES
JUAN PONS GUARDIA	GENERAL MANAGER OF STRATEGY AND REGULATION
RAFAEL PIQUERAS BAUTISTA	GENERAL SECRETARIAT

Total remuneration received by senior management (in thousands €)	2,450
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B.1.13 Identify, in aggregate terms, any indemnity or “golden parachute” clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group.

Number of beneficiaries	9
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	Board of Directors	General Shareholders' Meeting
Body authorising clauses	YES	NO

Is the General Shareholders' Meeting informed of such clauses?	NO
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B.1.14 Describe the procedures for establishing remuneration for Board members and the relevant provisions in the bylaws.

Procedures for establishing Board members' remuneration and relevant provisions in the bylaws
<p>The process for establishing remuneration for Board members is covered in article 36 of the Company bylaws, which establishes the following:</p> <p>"The position of Director shall be remunerated. The General Shareholders' Meeting shall determine the total maximum remuneration to be paid to Board members, and this shall comprise a cash sum per year, or such period as determined by the General Shareholders' Meeting.</p> <p>When setting pay, the shareholders in general meeting may resolve that part of such pay remunerate the office of Director itself, equally for all Directors, and another part be apportioned by the Board on such basis as may be determined at the General Meeting.</p> <p>Directors may receive additional remuneration in the form of company shares, share options or other securities that enable the holder to obtain shares, or through other remuneration systems based on the market price value of the shares. The application of the said systems shall be presented to the General Shareholders' Meeting for approval, and the Meeting shall determine the value of the shares granted each Director, the price for the exercise of option rights, the term of duration and all other conditions deemed appropriate.</p> <p>Remuneration established herein shall be compatible with and independent from salaries, wages, indemnifications, pensions or compensations of any type established in general or in particular for those members of the Board of Directors who are linked to the Company through a normal labour relationship, special top management contract, or a services contract. Such relationships shall be compatible with the position of member of the Board of Directors.</p> <p>Board members shall be entitled to the payment or reimbursement of expenses incurred as a result of attendance at meetings and other tasks directly related to the performance of their duties, such as travel, accommodation, meals and any other which may arise." By virtue of the foregoing, Enagás has established a payment framework for Directors aimed at covering both the responsibilities involved in carrying out their duties, and effective dedication and attendance at sessions, without removing or limiting the powers of the GSM in any way. This body is responsible for determining the maximum amount to be paid to Directors and the form and criteria that must be taken into account in assigning and distributing such payment, to be effected by the Board of Directors, in accordance with guidelines established by the General Meeting.</p> <p>Likewise, article 16 of the Regulations of the Board of Directors stipulates that the Appointments and Remunerations Committee establish payment criteria for Company Directors, within the scope of the Company bylaws and in accordance with resolutions of the General Meeting, while the Board of Directors is responsible for final distribution of the overall sum within the limits established by bylaws for this purpose. The Board of Directors may, on an annual basis, delegate the powers conferred upon it in respect of the remuneration of Directors to the Appointments and Remunerations Committee, subject to the restrictions laid down in the bylaws.</p> <p>Payments to Directors will be transparent. The Notes to the Financial Statements, as an integral part of the Annual Financial Statements, shall include accurate, detailed information on the remuneration received by each member of the Board of Directors, and on the remuneration received by Executive Directors for performing senior management functions. This information will also be included in the Annual Corporate Governance Report.</p>

Indicate whether the board has reserved for plenary approval the following decisions.

At the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	YES
Directors' remuneration, and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions.	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included.

YES

The amount of the fixed components, itemised where necessary, of Board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to.	YES
Variable components	YES
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.	YES
The conditions that the contracts of executive directors exercising executive functions shall respect.	YES

B.1.16 Indicate whether the board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the Board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

YES

Issues covered in the remuneration policy report
In accordance with the provisions of article 36 of the Company bylaws, the Company's Board of Directors each year proposes to shareholders at the General Meeting the maximum compensation that should be paid to Directors for performance of their functions, as well as the breakdown between remuneration for attendance and membership of Board Committees, remuneration for chairing said Committees and remuneration for serving as Vice-chairman of the Board.
The remuneration paid to the Chairman for performance of his executive functions is approved by the Board of Directors.

Role of the Remunerations Committee	
The Committee formulates all proposals relating to the Company's remuneration policy.	
Have external consultancy firms been used?	
Identity of external consultants	

B.1.17 List any Board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies.

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year.

NO

B.1.19. Indicate the procedures for appointing, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

APPOINTMENT OF DIRECTORS:

Pursuant to article 8 of the Regulations of the Board of Directors of Enagás, S.A.. "Directors shall be appointed by the General Shareholders' Meeting or by the Board of Directors, in conformity with the provisions contained in the Spanish Companies Act and in the Company bylaws".

Those appointed must be people who, in addition to meeting the legal and statutory requirements, have recognised prestige and the appropriate professional knowledge and experience to suitably hold the post.

Before the Board can exercise its co-opting powers, a new director must be nominated by the Appointments and Remunerations Committee. Board decisions to co-opt new directors are then submitted to the General Shareholders' Meeting for approval.

In keeping with Corporate Governance recommendations, when the Board of Directors does not agree with the Committee's proposals, it must explain the reasons for this and duly record its reasons in the Minutes.

The process of filling Board vacancies has no implicit bias against women candidates; The Company makes a conscious effort to include women with the target profile among the candidates for board places."

Special mention should be made of the specific requirements that have been established to ensure the impartiality and independence of Independent Directors appointed to the Board, which are set out in article 9 of the Regulations of the Board of Directors: "Independent Directors shall be defined as those who, appointed based on their personal and professional attributes, may perform their duties without being affected by dealings with the Company, its significant shareholders or its executives. Under no circumstances may the following persons be classified as Independent Directors:

- a) Those who have been employed by or served as Executive Directors of group companies, unless three or five years, respectively, have lapsed since the termination of said relationship.
- b) Those who receive any sum or benefit other than Director's compensation from the Company or its Group, unless such is not significant. Dividends and pension supplements received by a Director on account of his/her prior professional or employment relationship shall not be taken into account for purposes of this section provided that such supplements are unconditional and, consequently, the Company providing such may not, on a discretionary basis, suspend, modify or revoke any disbursement thereof, without incurring a breach of obligations.
- c) Those who are, or have been during the past three years, a partner of the external auditor or party responsible for the auditor's report reviewing the accounts of Enagás, S.A. or any other Group company for said period.
- d) Those who are Executive Directors or senior managers of another Company where an Executive Director or Senior Manager of Enagás, S.A. is an External Director.
- e) Those who maintain, or have maintained in the last year, a significant business relationship with Enagás, S.A. or any other Group company, whether on his/her own behalf or as a significant shareholder, Director or senior manager of any Company that maintains or has maintained said relationship. Business relationships shall be defined as those whereby a Company serves as a provider of goods or services, including those of a financial nature, or as an advisor or consultant.
- f) Those who are significant shareholders, Executive Directors or senior managers of any entity that receives, or has received during the past three years, significant donations from Enagás, S.A. or its Group. Those who are mere patrons of a Foundation shall not be included under this letter.
- g) Those who are spouses, partners or relatives within the second degree of any of an Executive Director or Senior Manager of the Company.
- h) Those who have not been nominated, whether for appointment or renewal, by the Appointments and Remuneration Committee.
- i) Those who are found, in respect of a significant shareholder or one represented on the Board, in any of the circumstances described under 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 in the investee. Those 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 Directors who hold a shareholder interest in the Company may hold the status of an Independent Director provided that he/she meets all of the conditions established under this article and, further, that his/her interest is not significant.

RE-ELECTION:

Article 10 of the Regulations of the Board of Directors stipulates that "Directors may hold their post for a period of four years, and may be re-elected. Directors who are co-opted shall hold their post until the date of the first subsequent General Shareholders' Meeting.

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

APPRAISAL:

Article 11 of the aforementioned Regulations establishes that "the Appointments and Remunerations Committee, responsible for evaluating the quality of work and commitment to the post of the Directors proposed during the previous term of office, shall provide information required to assess proposal for re-election of Directors presented by the Board of Directors to the General Shareholders' Meeting.

REMOVAL AND DISMISSAL :

Directors shall leave their post after the first General Shareholders' Meeting following the end of their term of appointment and in all other cases in accordance with the law, Company bylaws and the present Regulations (article 12.1 of the Regulations of the Board

of Directors).

The Board of Directors shall not propose the removal of Independent Directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the Appointments Committee (article 12.3 of the Regulations of the Board of Directors).

B.1.20. Indicate the cases in which directors must resign.

In accordance with Corporate Governance recommendations, article 12 of the Regulations of the Board of Directors stipulates that:

Directors must tender their resignation if the Board deems this appropriate, in the following circumstances:

- a) When they are involved in any of the legally stipulated circumstances of incompatibility or prohibition.
- b) When they are in serious breach of their obligations as Directors.
- c) When they may put the interests of the Company at risk or damage its credibility and reputation. The moment a Director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the Board should examine the matter and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not he or she should be called on to resign.
- d) When the reason for which they were appointed Executive Directors is no longer valid.
- e) When Independent Directors cease to meet the conditions established under article 9.
- f) When the shareholder represented by a Proprietary Director sells its shareholding interest in its entirety. They shall also do so, in the appropriate number, when the shareholder in question reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

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

The Board of Directors should not propose the removal of Independent Directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the Nomination Committee.

After a Director resigns from his/her post, he/she may not work for a competitor Company for a period of two years, unless the Board of Directors exempts him/her from this obligation or shortens its duration.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person.

YES

Measures for reducing risk
<p>The Chairman of the Board of Directors exercises the functions of chief executive of the Company. As well as the functions and powers attributed to the post by law and the Company bylaws, the Chairman of the Board of Directors, as an executive, effectively directs the Company's business, in accordance with the decisions and criteria established by the General Shareholders' Meeting and the Board of Directors in their respective competencies.</p> <p>However, the Board of Directors' Regulations contain a detailed report on issues which must be presented to the Board; in general terms, the Board retains sole jurisdiction on operations valued at over €3 million. Similarly, Enagás, S.A.'s internal regulations on investment and tendering also reserve decision making powers for the Board for sums of over €3 million.</p>

Indicate, and if necessary, explain whether rules have been established that enable any of the independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

YES

Explanation of rules
<p>At its meeting of 29 March 2007, the Board of Directors approved an amendment to article 17 of the Regulations of the Board of Directors which establishes that, when the Chairman of the Board also serves as chief executive of the Company, the Board of Directors may empower one of the Independent Directors to ask for meetings to be convened or new items to be included on the agenda, to coordinate and report the concerns of the External Directors, and to oversee the Board's evaluation of its Chairman.</p>

B.1.22. Are qualified majorities, other than legal majorities, required for any type of decisions?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

Description of resolution:

All resolutions

Quorum	%
<p>Meetings of the Board of Directors shall be validly constituted when at least half its members plus one are present or represented, except when the meeting has not been duly convened, in which case the attendance of all members is required.</p>	51.00

Type of majority	%
<p>Resolutions shall be adopted with the vote in favour of an absolute majority of Directors present or represented, irrespective of the type of decision in question, except in the case of written ballots held without meeting</p>	51.00

B.1.23. Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24. Indicate whether the Chairman has the casting vote.

NO

B.1.25. Indicate whether the bylaws or the regulations of the Board of Directors set any age limit for directors.

NO

Age limit for Chairman	Age limit for CEO	Age limit for directors
0	0	0

B.1.26. Indicate whether the bylaws or the regulations of the Board of Directors set a limited term of office for independent directors.

YES

Maximum number of years in office	12
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B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Explanation of reasons and initiatives
<p>At the date of publication of this report, only one of a total of sixteen (16) members of the Board of Directors is a woman, María Teresa García-Milá Lloveras. Enagás, S.A. should therefore prioritise and try to increase female representation should a vacancy arise on the Board, especially for independent seats. Given the above, in 2008 the Board adopted various initiatives aimed at rectifying the gender imbalance. In particular, article 8 of the Regulations of the Board of Directors expressly incorporates the principle of equal treatment of men and women set out in the Unified Code. The new article stipulates that "the process for filling Board vacancies has no implicit bias against women candidates. The Company shall seek out and include women with the target profile among the candidates for Board places".</p>

Indicate in particular whether the Appointments and Remunerations Committee has established procedures to ensure that the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile.

YES

Indicate the main procedures
In the exercise of its functions, and in accordance with the Regulations of the Board of Directors, whenever a vacancy arises, the Appointments and Remunerations Committee analyses the professional profile of potential female candidates and thus endeavours to ensure that the number of female Directors on the Company's Board is progressively increased.

B.128 Indicate whether there are any formal processes for granting proxies at Board meetings. If so, give brief details.

Article 39 of the Company bylaws states that Directors may grant representation to other Directors, but none of the attendees may hold more than two representations or voting proxies.

Furthermore, pursuant to article 7.3 of the Regulations of the Board of Directors, representation of absent Directors may be granted by any means, with a telegram or fax to the Chairman or Secretary of the board being valid.

B.1.29 Indicate the number of Board meetings held during the year and how many times the board has met without the Chairman's attendance .

Number of Board meetings	12
Number of Board meetings held in the absence of its chairman	0

Indicate how many meetings of the various board committee were held during the year.

Number of meetings of the Executive or Delegated Committee	0
Number of meetings of the Audit and Compliance Committee	5
Number of meetings of the Appointments and Remunerations Committee	4
Number of meetings of the Appointments Committee	0
Number of meetings of the Remunerations Committee	0

B.1.30 Indicate the number of Board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions.

Number of non-attendances by directors during the year	16
% of non-attendances of the total votes cast during the year	8.000

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the Board are certified previously.

YES

Indicate, if applicable, the person(s) who certified the company's individual and consolidated financial statements for preparation by the Board.

Name	Post
DIEGO DE REINA LOVERA	FINANCIAL DIRECTOR
ANTONIO LLARDÉN CARRATALÁ	CHAIRMAN

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being submitted to the General Shareholders' Meeting with a qualified Audit Report.

The Board of Directors and Audit and Compliance Committee are required to ensure that the annual financial statements are published without qualifications:

Article 5, paragraph c) of the Regulations of the Board of Directors states that among the functions of the Board of Directors regarding the Annual Financial Statements are the following:

To present, in clear and precise terms, facilitating comprehension of their contents, the individual and consolidated Annual Financial Statements and the Management Report, after obtaining the Reports issued by the Financial Department and the relevant report issued by the Audit and Compliance Committee and the corresponding clarifications.

In presenting the Annual Financial Statements, the Board of Directors shall set out all comments or recommendations previously made by the Audit and Compliance Committee in its Report. In the event that the Annual Financial Statements differ from the prior Report issued by the Audit and Compliance Committee, the Board of Directors shall provide sufficient explanation of the reasons for the discrepancy.

The Board of Directors shall endeavour to present the Financial Statements in such a way that there are no grounds for qualification from the Auditor of the Financial Statements. However, when the Board of Directors considers that its criteria must be maintained, it shall publicly explain the content and extent of the discrepancy."

Article 7, paragraph c) of the Audit and Compliance Committee Regulations states that said Committee shall "operate as a channel of communication between the Board of Directors and the Auditor, evaluating the results of each Audit, and the Management Team's responses to its recommendations, and mediating and arbitrating in cases of discrepancies between them in relation to principles and criteria to be applied in the preparation of financial statements.

Enagás, S.A. has established quarterly reviews of its financial statements to detect any possible risks that could affect these

and any qualifications which may arise. It consequently carries out suitable measures to resolve any qualifications.

B.1.33. Is the Secretary of the board also a director?

NO

B.1.34 Explain the procedures for appointing and removing the Secretary of the board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and approved by the Board in plenary session.

Appointment and removal procedure
<p>Article 20 of the Regulations of the Board of Directors details the procedures for the appointment and dismissal of the Secretary of the board. The Secretary of the Board of Directors shall be appointed by the Board and shall not necessarily also be a Director. The Secretary shall exercise the functions conferred upon such position under commercial law and in these Regulations. To ensure the independence, impartiality and professionalism of the Secretary, his/her appointment and removal shall be the subject of a prior report from the Appointments and Remunerations Committee and must be approved by the Board in plenary session.</p> <p>The aforesaid article 25 of the Regulations also establishes that, the functions of the Appointments and Remunerations Committee shall include responsibility for "proposing the appointment and dismissal of the Secretary of the Board of Directors".</p>

Does the Appointments Committee propose appointments?	YES
Does the Appointments Committee advise on dismissals?	YES
Do appointments have to be approved by the Board in plenary session?	YES
Do dismissals have to be approved by the Board in plenary session?	YES

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

YES

Remarks
<p>In accordance with the provisions of article 20.3 of the Regulations of the Board of Directors, "the Secretary shall also be responsible for the formal and material legality of the Board of Directors' actions and shall guarantee that its governing procedures and rules are respected and regularly revised. In particular he/she shall ensure that the actions of the Board:</p> <p>a) adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;</p> <p>b) comply with the Company bylaws and the Regulations of the General Shareholders' Meeting, the Board of Directors and others; c) are informed of those Corporate Governance recommendations of the Unified Code that the Company has subscribed to".</p>

B.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, of financial analysts, of investment banks and of rating agencies.

To safeguard the independence of the external auditors, the Audit and Compliance Committee of the Enagás Board of Directors has been assigned, as part of its core remits, responsibility for evaluating the Company's accounting verification system, ensuring the independence of the external auditor, reviewing the internal control system, guaranteeing transparency of information, and ensuring compliance with internal conduct regulations.

In addition, it is responsible for proposing the appointment of the External Accounts Auditors to the Board of Directors, for submission to the General Shareholders Meeting, in accordance with applicable regulations, and for advising on payments to external auditors, and liaising with the latter in respect of issues that may jeopardise their independence.

It is the Board of Directors' responsibility to adopt and implement as many measures as are necessary to ensure transparency of the Company on financial markets, to encourage the appropriate setting of company and subsidiary share, to supervise, through the Audit and Compliance Committee, regular provision of public information of a financial nature and to carry out as many functions as are imposed on it by the Company's status as a listed company according to applicable legislation.

Where appropriate, the Audit and Compliance Committee shall invite the external auditors to attend its quarterly meetings in order to:

- . Obtain information on the quarterly reviews of the financial statements.
- . Analyse any incidents encountered.
- . Ask the Directors to come up with a plan of action to resolve the incidents encountered.

B.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the new audit firm and the previous firm.

NO

Outgoing auditor	Incoming auditor

Explain any disagreements with the outgoing auditor and the reasons for the same.

NO

B.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group.

YES

	Company	Group	Total
Amount of other non-audit work (in thousands €)	250	0	250

Amount of other non-audit work as a % of total amount billed by audit firm	27.200	0.000	27.200
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B.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate how many years the current firm has been auditing the accounts as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	6	6

	Company	Group
Number of years audited by current audit firm/Number of years the company accounts have been audited (%)	24.0	24.0

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies.

Name or corporate name of director	Corporate name of the company in question	% share	Post or duties
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	IBERDROLA, S.A.	5.736	-----
BILBAO BIZKAIA KUTXA (BBK)	IBERDROLA, S.A.	6.842	-----

Name or corporate name of director	Corporate name of the company in question	% share	Post or duties
BILBAO BIZKAIA KUTXA (BBK)	GAS NATURAL SDG, S.A.	0.110	-----
LUIS JAVIER NAVARRO VIGIL	E.ON ESPAÑA	0.000	DIRECTOR
LUIS JAVIER NAVARRO VIGIL	BP ESPAÑA, S.A.	0.000	DIRECTOR
LUIS JAVIER NAVARRO VIGIL	E.ON RENOVABLES S.L.U.	0.000	DIRECTOR
LUIS JAVIER NAVARRO VIGIL	BP, PLC	0.000	-----

B.1.41. Indicate and give details of any procedures through which directors may receive external advice.

YES

Details of procedure
<p>Article 15 of the Regulations of the Board of Directors establishes that Directors shall be entitled to propose to the Board of Directors the engagement, at the Company's expense, of legal, accounting, technical, financial, commercial or any other type of experts deemed necessary for the interests of the Company, for the purpose of assisting the Board in performing its duties when there are specific problems of a certain importance and complexity linked to the such performance.</p> <p>The proposal must be communicated to the Chairman of the Board via the Secretary of the board. The Board of Directors may veto its approval when it considers that such services are unnecessary for the duties with which they are entrusted, or disagrees with the cost of the same (disproportionate in relation to the problem and assets and revenues of the Company) or believes that the said technical assistance can be adequately provided by experts and technicians from within the Company.</p> <p>The Company should organise induction programmes for new Directors to acquaint them rapidly with the workings of the Company and its corporate governance rules. It shall also offer Directors refresher courses when circumstances so dictate.</p>

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies.

YES

Details of procedure
<p>Article 6 of the Regulations of the Board of Directors governs the procedure to ensure that Directors have the necessary information to prepare meetings of the Board of Directors with sufficient time. The aforesaid article establishes that:</p> <p>"Notices convening ordinary sessions shall be issued by the Chairman or the Secretary, or by the Vice-chairman on order of the Chairman, may be effected by any media, and shall include the venue at which the meeting is to be held and the agenda of the same.</p> <p>The convening notice, which shall be issued, except in extraordinary situations, at least three days prior to the date scheduled for the meeting, shall contain the information and documents considered relevant or appropriate to better</p>

inform Directors.

The Chairman shall be empowered to establish the agenda of the meetings, although any Director may request, prior to convocation, the inclusion of the points that, in his/her opinion, should be deliberated by the Board of Directors”.

In practice, the convening notice shall be issued a week before the meeting and, in addition to the meeting venue and the agenda, shall include all documentation considered appropriate or relevant

B.1.43 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

YES

Details of rules
Pursuant to Corporate Governance recommendations, article 12 of the Regulations of the Board of Directors establishes that Directors place their offices at the Board of Directors' disposal, and tender, if the Board deems this appropriate, their resignation, inter alia, in situations that could place the Company's interest at risk or damage its credibility and reputation. The moment a Director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the Board should examine the matter and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not he or she should be called on to resign.

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Spanish Companies Act (LSA for its initials in Spanish).

NO

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office.

NO

Decision	Explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all the committees of the Board of Directors and their members.

AUDIT AND COMPLIANCE COMMITTEE

Name	Post	Type
MARTÍ PARELLADA SABATA	CHAIRMAN	INDEPENDENT DIRECTOR
ANTONIO TELLEZ PERALTA	MEMBER	INDEPENDENT DIRECTOR
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	MEMBER	PROPRIETARY
LUIS JAVIER NAVARRO VIGIL	MEMBER	OTHER EXTERNAL
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	MEMBER	PROPRIETARY

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Type
DIONISIO MARTÍNEZ MARTÍNEZ	CHAIRMAN	INDEPENDENT DIRECTOR
BILBAO BIZKAIA KUTXA (BBK)	MEMBER	PROPRIETARY
MARÍA TERESA GARCÍA-MILÁ LLOVERAS	MEMBER	INDEPENDENT DIRECTOR
RAMÓN PÉREZ SIMARRO	MEMBER	INDEPENDENT DIRECTOR
SAGANE INVERSIONES, S.L.	MEMBER	PROPRIETARY

B.2.2. Indicate whether the Audit Committee is responsible for the following.

To supervise the preparation process and monitoring the integrity of financial information on the company and, if applicable, the group, and revising compliance with regulatory requirements, the adequate boundaries of the scope of consolidation and correct application of accounting principles.	YES
To regularly review internal control and risk management systems, so main risks are correctly identified, managed and notified.	YES
To safeguard the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit ; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	YES

To establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	YES
To submit to the board proposals for the selection, appointment, reappointment and removal of the external auditor, and the engagement conditions.	YES
To receive regular information from the external auditor on the progress and findings of the audit programme and check that senior management are acting on its recommendations.	YES
To ensure the independence of the external auditor.	YES
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	YES

B.2.3 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

It should be noted that the Appointments and Remunerations Committee has no specific regulations, as it is sufficiently regulated under article 25 of the Regulations of the Board of Directors and article 45 of the Company bylaws.

The Appointments and Remunerations Committee is comprised of five members appointed by the Board of Directors, which is within the limits established in the Company bylaws and the Regulations of the Board, which set a minimum of three and maximum of five members.

It comprises mainly Independent Directors, as dictated in the Company bylaws and the Regulations of the Board. Three of the Committee's members, including the Chairman, are Independent Directors, while two are Proprietary Directors.

Pursuant to article 25 of the Regulations of the Board of Directors, the Appointments and Remunerations Committee must meet at least four times a year. In 2009, the Committee met four times.

The duties of the Appointments and Remunerations Committee are detailed in article 45 of the Company bylaws and article 25 of the Regulations of the Board of Directors and are as follows:

1. To establish payment criteria for the Company's Directors, in accordance with the stipulations of the bylaws and in line with resolutions passed at the General Shareholders' Meeting, and to ensure that payments are transparent.
2. To establish a general remuneration policy for Enagás, S.A., management personnel, justifying the same to the Board of Directors, and guidelines relating to the appointment, selection, promotion and dismissal of senior managers, in order to ensure that the Company has the appropriate highly qualified staff for administering its business at all times.
3. To review the structure of the Board of Directors, the criteria for the statutory renewal of Directors, the incorporation of new members and any other aspects relating to its composition that it deems appropriate, providing the Board of Directors with the proposals that it considers necessary.
4. To report on the appointment and dismissal of the Secretary of the Board of Directors.

5. To inform the Board of Directors, prior to approval, of transactions that Directors wish to undertake that imply or may imply a conflict of interests, in accordance with the stipulations of the Internal Code of Conduct in Matters Relating to Stock Markets.
6. To formulate and revise the criteria to be followed in the composition of the Board of Directors and for the selection of the candidates proposed for the post of Director.
7. To provide information, objectively and in the Company's interest, concerning the proposals for appointment, re-election and ratification of Directors, as well as for the appointment of members of Board Committees.
8. To freely formulate proposals to the Board of Directors regarding the Company's organisational structure, including the creation of senior management posts, in order to achieve improved and more efficient company administration.
9. To designate and dismiss senior management staff, and where necessary, approve special conditions in their contracts.
10. To approve payment of senior management, providing that this does not diverge from criteria established in the general payment policy for Management.
11. To report to the Board of Directors on any related-party transactions before Board approval of the same. Under no circumstances shall any such transaction be authorised without a prior report evaluating the transaction from the point of view of market conditions. If the transactions are ordinary, generic authorisation of the type of transaction and its conditions shall be sufficient.
12. To provide information to the Board of Directors on measures to be taken in the event of non-compliance with these Regulations or the Internal Code of Conduct in Matters Relating to Stock Markets on the part of Directors or other persons subject to the aforementioned Regulations. In performing this duty, the Appointments and Remunerations Committee shall work in conjunction with the Audit and Compliance Committee wherever appropriate.

Committee name

AUDIT AND COMPLIANCE COMMITTEE

Brief description

Regulations for the Audit and Compliance Committee were approved at the meeting of the Board of Directors of 19 February 2004. They are aimed at providing the committee with an organisational and operational framework that enables it to operate as an independent and transparent body, and thereby comply with the regulations contained in article 44 of the Company bylaws and article 26 of the regulations governing the organisation and operation of the Board of Directors. At its meeting of 29 March 2007, the Board amended article 26 of the Regulations of the Board of Directors to incorporate as many of the recommendations of the Unified Code as possible and thus also amended the Regulations of the Audit and Compliance Committee to bring them in line with changes made to the Regulations of the Board of Directors.

- The Audit and Compliance Committee is comprised of five members, which is within the limits established in article 44 of the Company bylaws and article 3 of the Audit and Compliance Committee Regulations, which set a minimum of three and maximum of five members, appointed by the Board of Directors. Two of the Committee's members, including the Chairman, are Independent Directors, two are Proprietary Directors, and the fifth is classified as "Other External Director".

- Article 3 of the Regulations of the Audit and Compliance Committee states that none of its members may be Executive Directors, in order to preserve the transparency and objective nature of its decisions, and the parity between Proprietary and Independent Directors must be maintained. The aforesaid article also stipulates that the Chairman of the Board of Directors and members of other committees may not sit on the Audit and Compliance Committee.

- As established in article 4 of the Committee Regulations, the term of Committee membership is the same as the term of office for a Directorship. On ceasing to be a Director, a Committee member's period of service is automatically concluded. Serving Directors may cease to be Committee members at any time the Board of Director so decides. Notwithstanding the above, the Chairman of the Committee must be replaced every four years. The Committee Chairman may be re-elected one year after leaving the post, without prejudice to his/her continuity as a member of the Committee if the Board of Directors decides that there exists sufficient reason for re-election.

The remuneration of Committee members, as provided for in article 5 of the Committee Regulations, will be approved as established in the Company bylaws and the Regulations of Board of Directors pertaining to the approval of

Directors' remuneration, and shall be subject to the same disclosure obligations.

- During their period of office, Committee members shall perform the duties and adhere to the working principles stipulated in the Company bylaws, the Regulations of the Board of Directors and prevailing legislation on company Directors.

- In keeping with article 8 of its Regulations, the Committee must meet at least four times a year and the Chairman shall call as many further meetings as he/she believes are required for the Committee to complete its tasks. In 2009, the Committee met five times.

- The tasks to be performed by the Audit and Compliance Committee are set out in article 44 of the Company bylaws, article 26 of the Regulations of the Board of Directors and article 7 of the Committee Regulations.

The Committee is responsible for evaluating the Company's accounting verification system, ensuring the independence of the external auditor, reviewing the internal control system, guaranteeing transparency of information, and ensuring compliance with internal conduct regulations.

- To fulfil these objectives, in addition to the functions established by law for the Audit and Compliance Committee, the Committee shall have the following duties:

a) In relation to the financial statements:

- Overseeing the preparation process and monitoring the integrity of financial information on the Company and, where relevant, the Group, and checking compliance with regulatory requirements, the due definition of the scope of consolidation and correct application of accounting principles.

- Providing information on the annual financial statements prior to their presentation by the Board of Directors.

In its Report, the Committee includes the information that it deems necessary on the application of accounting criteria, internal control systems and any other relevant facts.

The Board of Directors must provide an explanation if it presents financial statements that differ from information previously provided by the Audit and Compliance Committee.

- 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.

b) In relation to internal audits:

- Monitoring the independence of the internal audit unit.

- Supervising the Company's internal auditing services and verifying the internal control systems, in order to achieve optimum monitoring of the execution of the annual internal audit.

In particular, the Committee shall monitor the quality of the work of the internal audit unit in areas including: accuracy and integrity of information, compliance with policies, plans, regulations and standards and asset protection measures. The Committee has full access to Internal Auditing systems and meets regularly, in plenary session or through its Chairman, with the Internal Auditing Manager, from whom it may request all the information necessary for its work.

- Providing information and putting forward proposals to the Board of Directors regarding the selection, appointment, reappointment and dismissal of the head of Internal Audit.

c) In relation to external audits:

- Making proposals to the Board of Directors for submission to shareholders at the General Meeting concerning the appointment of the External Accounts Auditor, in accordance with applicable regulations, and providing information on the remuneration payable to the same and other terms and conditions of their appointment.

- Liaising with the external auditors to obtain information on any issues that could compromise the latter's independence 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 the technical audit regulations.

- Taking receipt of the external auditor's regular reports on the audit programme and results of its execution, and ensuring that senior management takes account of its recommendations.

- Serving as a channel for communications between the Auditors and the Board of Directors, evaluating the results of each audit, and the management team's responses to its recommendations, and mediating and arbitrating in the event of disagreement between the two concerning the principles and criteria to be applied in the preparation of the financial statements.

- Overseeing the execution of contracted audit work and ensuring that the auditor's opinion on the financial statements and the main contents of the Auditors' Report are written clearly and accurately.

- Providing information on non-auditing contracts between the Company and the Accounts Auditors.

Ensuring that the External Accounts Auditor is provided with access to all the information necessary for him/her to do his/her work.

d) In relation to the Company's risk map:

- Identifying and analysing, in conjunction with the internal and external auditors, the main risks to which the Company is exposed, and, in particular, those affecting its financial position.
- Producing a risk assessment report for the Board of Directors.
- Where appropriate, proposing to the Board of Directors measures required to manage, mitigate or prevent risks detected.
- Establishing and supervising a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm. NOTE: More information on points e) and f) can be found in section G1) CLARIFICATION OF SECTION B.2.3.

B.2.4 Identify any advisory or consulting powers and, where applicable, the powers delegated to each of the committees.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

TASKS 4 TO 11 LISTED IN SECTION B.2.3 OF THIS REPORT.

Committee name

AUDIT AND COMPLIANCE COMMITTEE

Brief description

TASKS 1 TO 18 LISTED IN SECTION B.2.3 OF THIS REPORT.

B.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared voluntarily.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

The Appointments and Remunerations Committee has no specific regulations, as it is sufficiently regulated under article 25 of the Regulations of the Board of Directors and article 45 of the Company bylaws.

Committee name

AUDIT AND COMPLIANCE COMMITTEE

Brief description

Regulations for the Audit and Compliance Committee were approved at the meeting of the Board of Directors held on 19 February 2004. The aim of this document was to provide the committee with an organisational and operational framework as an independent and transparent body, thereby complying with the regulations contained in article 44 of the Company bylaws and article 26 of the Regulations of the Board of Directors.

The aforementioned regulations are available for consultation at the headquarters of Enagás, S.A. and on its website at www.enagas.es or www.enagas.com.

No changes were made to the regulations of the Audit and Compliance Committee in 2009.

The Audit and Compliance committee has drafted a report on its activities, available both at the headquarters of Enagás, S.A. and on its corporate website.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

NO

If the answer is no, explain the composition of the Executive Committee.

There is no Executive Committee.

C – RELATED-PARTY TRANSACTIONS

C.1. Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the board, or related parties.

YES

C.2. List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies and the significant shareholders in the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
ATALAYA INVERSIONES, S.R.L.	ENAGÁS, S.A.	Corporate Paid to SAGANE INVERSIONES, S.L. (significant shareholder)	Dividends and other benefits paid	11,145
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	30,000
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	50,000
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Commercial	Guarantees and sureties	12,000
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	6,000
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Corporate Paid to CIC, S.L. (significant shareholder).	Dividends and other benefits paid	11,145
CAJA DE AHORROS DE ASTURIAS (CAJASTUR)	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	65,000

OMAN OIL HOLDINGS SPAIN S.L.U.	ENAGÁS, S.A.	Corporate	Dividends and other benefits paid	8,041
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C.3 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies, and the company's managers or directors.

Name or corporate name of director or senior manger	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (In thousands €)
BILBAO BIZKAIA KUTXA (BBK)	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	92,000
BILBAO BIZKAIA KUTXA (BBK)	ENAGÁS, S.A.	Commercial	Guarantees and sureties	6,000
BILBAO BIZKAIA KUTXA (BBK)	ENAGÁS, S.A.	Corporate	Dividends and other benefits paid	11,145
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	ENAGÁS, S.A.	Commercial	Guarantees and sureties	6,000
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	ENAGÁS, S.A.	Commercial	Finance agreements, loans and capital contributions (lender)	56,000
CAJA DE AHORROS DE VALENCIA, CASTELLON Y ALICANTE, BANCAJA	ENAGÁS, S.A.	Corporate Paid to BANCAJA INVERSIONES, S.A. (significant shareholder)	Dividends and other benefits paid	11,145
SAGANE INVERSIONES, S.L.	ENAGÁS, S.A.	Corporate	Dividends and other benefits paid	11,145
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	ENAGÁS, S.A.	Corporate	Dividends and other benefits paid	11,145

C.4. List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

Corporate name of the group company
GASODUCTO AL-ANDALUS, S.A.
Amount (In thousands €)
18,738

Brief description of the transaction
LOAN GRANTED BY ENAGÁS, S.A.

Corporate name of the group company
GASODUCTO AL-ANDALUS, S.A.
Amount (In thousands €)
6,430

Brief description of the transaction
DIVIDENDS RECEIVED BY ENAGÁS, S.A. FOR THE 2008 FINANCIAL YEAR.

Corporate name of the group company
GASODUCTO AL-ANDALUS, S.A.
Amount (In thousands €)
5,735

Brief description of the transaction
INCOME FROM PIPELINE MAINTENANCE AND FRANCHISE ROYALTIES.

Corporate name of the group company
GASODUCTO AL-ANDALUS, S.A.
Amount (In thousands €)
16,929

Brief description of the transaction
TRANSPORT CHARGES PAID.

Corporate name of the group company
GASODUCTO BRAGA - TUY, S.A.
Amount (In thousands €)
3,329

Brief description of the transaction
TRANSPORT SERVICE CHARGES PAID.

Corporate name of the group company
GASODUCTO BRAGA - TUY, S.A.
Amount (In thousands €)
11,693

Brief description of the transaction
LOAN GRANTED BY ENAGÁS, S.A.

Corporate name of the group company
GASODUCTO BRAGA - TUY, S.A.
Amount (In thousands €)
543

Brief description of the transaction
DIVIDENDS RECEIVED BY ENAGÁS, S.A. FOR THE 2008 FINANCIAL YEAR.

Corporate name of the group company
GASODUCTO CAMPO MAIOR - LEIRIA - BRAGA, S.A.
Amount (In thousands €)

4,537

Brief description of the transaction

LOAN GRANTED BY ENAGÁS, S.A.

Corporate name of the group company

GASODUCTO CAMPO MAIOR - LEIRIA - BRAGA, S.A.

Amount (In thousands €)

3,254

Brief description of the transaction

TRANSPORT SERVICE CHARGES PAID.

Corporate name of the group company

GASODUCTO CAMPO MAIOR - LEIRIA - BRAGA, S.A.

Amount (In thousands €)

1,107

Brief description of the transaction

DIVIDENDS RECEIVED BY ENAGÁS, S.A. FOR THE 2008 FINANCIAL YEAR.

Corporate name of the group company

GASODUCTO DE EXTREMADURA, S.A.

Amount (In thousands €)

3,951

Brief description of the transaction

DIVIDENDS RECEIVED BY ENAGÁS, S.A. FOR THE 2008 FINANCIAL YEAR.

Corporate name of the group company

GASODUCTO DE EXTREMADURA, S.A.

Amount (In thousands €)

41

Brief description of the transaction

LOAN GRANTED BY ENAGÁS, S.A.

Corporate name of the group company

GASODUCTO DE EXTREMADURA, S.A.

Amount (In thousands €)

8,688

Brief description of the transaction

TRANSPORT RIGHTS PAID.

Corporate name of the group company

GASODUCTO DE EXTREMADURA, S.A.

Amount (In thousands €)

4,933

Brief description of the transaction

INCOME FROM PIPELINE MAINTENANCE AND FRANCHISE ROYALTIES.

C.5 Identify, where appropriate, any conflicts of interest affecting company directors pursuant to article 127 of the LSA.

NO

C.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Mechanisms for detecting and regulating possible conflicts of interest between Enagás, S.A. and/or its group, and its Directors, managers or shareholders are primarily set out in Enagás, S.A.'s Internal Code of Conduct in Matters Relating to Stock Markets.

The Internal Code of Conduct in Matters Relating to Stock Markets is applicable to the following persons:

- Members of the Board.
- Managing Directors and members of the Management Committee.
- Board members and, in the appropriate cases, members of the Management Committee of subsidiary or partially owned companies in which Enagás S.A. has operational control.
- People concerned with Stock Market activities.
- In general, everyone who has access to the Company's privileged or reserved information.

With regards to related-party transactions, the Company must adopt the following measures:

- a) Report such transactions to the National Securities Market Commission (CNMV) every six months and include information on them in the Corporate Governance section of the notes to the Company's annual financial statements.
- b) Submit them in draft form to the Board of Directors for authorisation prior to their execution, following the relevant report from the Appointments and Remunerations Committee, and assess whether they satisfy market criteria.

With respect to possible conflicts of interest, persons subject to the Internal Code of Conduct in Matters Relating to Stock Markets must act as follows:

- Inform the Board, through its Secretariat, of any possible conflicts of interest which may result from their family relationships, personal property or any other cause. Communications must be made within a fortnight and, in any case, before the decision that may be affected by the potential conflict of interest is taken.
- Keep the information updated, taking into account any modification or cessation of previously reported situations as well as the emergence of new conflicts of interest.
- Refrain from participating in the adoption of any decision that may be affected by the conflict of interest with the Company.

The Appointments and Remunerations Committee is the body responsible for regulating and resolving any conflicts of interest that may arise and, pursuant to article 25 of the Regulations of the Board of Directors, is assigned the following duties:

- a) Informing the Board of Directors, prior to approval, of any transactions that Directors wish to undertake that imply or may imply a conflict of interest, in accordance with the stipulations of the Internal Code of Conduct in Matters Relating to Stock Markets.
- b) Reporting to the Board of Directors on possible transactions with related parties before Board approval of the same. Under no circumstances shall any such transaction be authorised without a prior report evaluating the transaction from the point of view of market conditions. If the transactions are ordinary, generic authorisation of the type of transaction and its conditions shall be sufficient.
- c) To inform the Board of Directors on measures to be taken in the event of non-compliance with these Regulations or the Code of Conduct in Matters Relating to Stock Markets by Directors or other persons subject to the aforementioned same. In performing this duty, the Appointments and Remunerations Committee shall work in conjunction with the Audit and Compliance Committee wherever appropriate.

C.7 Is more than one group company listed in Spain?

NO

Identify the listed subsidiaries in Spain

D - RISK CONTROL SYSTEMS

D.1. Give a general description of risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The Enagás, S.A. Risk Policy allows management to deal efficiently with the various uncertainties, risks and opportunities that may arise and thus improve the Company's ability to generate value in order to meet its objectives.

Enagás, S.A. is committed to having an action plan for integral risk management thus enabling the identification, measurement, control and management of risks facing the Company as well as aligning the activities of its various business areas with the level of tolerance to the risk approved.

All initiatives aimed at controlling and mitigating risk shall follow these Basic Principles:

- Segregation and independence among risk managers and supervisors.
- Global supervision and like-for-like measurement of risks assumed by Enagás, S.A.
- Consistency: to facilitate a common and sole understanding of the risks assumed and the internal controls in place, detailed in a series of solid and consistent policies, rules and procedures, measurement methodologies and information framework across the Company, thus encouraging the development of a general internal control environment involving all its levels.
- Focus on decision-taking: to provide the various Company managers with the information required to take decisions in their area of responsibility, integrating these into the Company's existing management systems.
- Establish efficient coordination among the Company's different business areas/units to guarantee the optimum use of the knowledge and resources available.
- Transparency (simplicity, objectivity and accountability) regarding the processes and methodologies used.
- Facilitate active supervision by the Audit and Compliance Committee and the Management Committee.
- Constantly update and make improvements by regularly reviewing the risks and adopting best practices concerning risk supervision and management.
- Responsibilities: to entrust integral risk management to the Enagás, S.A. Board of Directors, management and employees, each within their area of responsibility.

Enagás, S.A. has grouped these risks, separating them in terms of the nature of the risk and bearing in mind the different measurement methods applied, as follows:

- Operational risk: This is the possible loss of value or earnings as a result of events caused by inadequacies or failures in processes, human resources, business teams and IT systems, or due to external factors
- Business risk: This is the possible loss of value or earnings due to external factors such as regulation, the economic cycle, competition levels, demand patterns, the structure of the industry, etc. as well as the possible loss of value or earnings arising from taking incorrect decisions regarding business plans and the Company's future strategies.

- Credit or counterparty risk: This is the possible loss of value or earnings as a result of a counterparty's failure to meet its contractual obligations:

- Financial risk: This is the uncertainty concerning a portfolio's value due to exchange and interest rate fluctuations, etc., as well as the liquidity and solvency of the companies.

- Reputational risk: This is any action, event or circumstance which could negatively affect the Company's reputation.

The risks have been measured in terms of their impact and probability in quantitative and qualitative terms. Also, the necessary controls and action plans have been established to maintain these risks within the admissible thresholds.

In 2009, the heads of the various divisions and business units at Enagás, S.A. managed their risks based on a self-assessment of some of these and by permanently monitoring the control activities and the risks in relation to the Company's accepted level of risk. Therefore, each department has established, in conjunction with the Internal Audit Business Unit, and based on these reviews, various Action Plans aimed at constantly improving the risk management process.

D.2 Indicate whether the company or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal...) during the year.

YES

If so, indicate the circumstances and whether the established control systems worked adequately.

Risks occurring in the year

Interruption of supply.

Circumstances responsible for this occurrence

In 2009 various significant incidences occurred in the gas infrastructures:

Operation of control systems

The control systems implemented for both the detection and operation as well as the rapid response of the maintenance teams worked correctly and supply to our customers was unaffected.

Risks occurring in the year

Fraud.

Circumstances responsible for this occurrence

A supplier falsified the origin of goods delivered to the Company.

Operation of control systems

The contract with this supplier was terminated.

Risks occurring in the year

Corporate.

Circumstances responsible for this occurrence

Certain remuneration conditions in the gas system were amended.

Operation of control systems

These changes are being constantly monitored.

D.3 Indicate whether there is a committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, please explain its duties.

Name of the Committee or Body

AUDIT AND COMPLIANCE COMMITTEE

Description of duties

- Identifying and analysing, in conjunction with the internal and external auditors, the main risks to which the Company is exposed, and, in particular, those affecting its financial position.
- Producing a risk assessment report for the Board of Directors.
- Where appropriate, proposing to the Board of Directors measures required to manage, mitigate or prevent risks detected.

Name of the Committee or Body

MANAGEMENT COMMITTEE

Description of duties

- Managing the various types of risk: acquiring knowledge of the risks, the corresponding responses, suitable control improvements and the situation of the actions in place.
- Establishing the risk levels for each of its divisions as well as the risk level for the Company as a whole.
- Permanently supervising activities and risks regarding the accepted level of risk for the Company.
- Proposing to the Audit and Compliance Committee the measures needed to manage those risks identified.

Name of the Committee or Body

MANAGEMENT OR BUSINESS UNIT

Description of duties

As the owner of the risk, it is their responsibility to manage the risks inherent in its activity by establishing suitable controls and action plans.

Name of the Committee or Body

INTERNAL AUDIT

Description of duties

- Responsible for assessing the suitability and efficiency of the controls comprising the Company's governance, operations and IT systems. This should include:
- .- The accuracy of financial and operating information.
 - The effectiveness and efficiency of operations.
 - Asset protection.
 - Legal, regulatory and contractual compliance.

D.4 Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

Each of the divisions and business units at Enagás, S.A. is cognisant of the applicable legislation and regulations. Part of their duties include ensuring that new mandatory legislation and regulations are analysed and applied.

The General Secretariat deals with, clarifies and establishes the criteria for all issues on which the divisions or business units have reasonable doubts.

New legislation or regulatory amendments will often necessitate amendments to the Company's internal regulations or the establishment of processes to comply with said regulations.

If there are various divisions involved in complying with the regulations, the Executive Committee will set up various working groups to develop and implement the new processes or activities.

In each of the audits carried out the Internal Audit department shall verify compliance with prevailing legislation and internal regulations.

The main compliance processes of the various regulations entail:

- Legislation and regulations affecting Enagás S.A. as a gas transporter and as Technical System Operator.
- Mercantile law.
- Fiscal law.
- Environmental law.
- Legislation regarding prevention.

E - GENERAL SHAREHOLDERS' MEETINGS

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's bylaws.

Describe how it differs from the system of minimum quorums established in the LSA.

Not applicable

	Quorum % other than that established in article 102 of the LSA for general cases	Quorum % other than that established in article 103 of the LSA for the special cases described in article 103
Quorum required for first call	0	0
Quorum required for second call	0	0

E.2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSA.

Not applicable

Describe how they differ from the rules established under the LSA.

E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSA.

Shareholders' rights in relation to general meetings are those established in the Spanish Companies Act. The Regulations of the General Shareholders' Meeting of Enagás, S.A. recognise the following shareholders' rights:

1. - RIGHTS TO INFORMATION.

This right is regulated by article 7 of the Regulations, which has the following content and scope:

On the date the notice of convening of the General Shareholders' Meeting is published, and on the day of the meeting itself, the Company shall place the following resources at its shareholders' disposal:

- a) The full text of the call for the General Shareholders' Meeting, setting out the resolutions proposed for adoption, and reports from the Board of Directors, where appropriate, concerning their justification and timeliness, providing that all this is possible.
- b) Comprehensive documentation on Enagás, S.A.'s financial statements and the consolidated financial statements of the Enagás Group, and on the proposed appropriation of Enagás earnings, for the financial year in question.
- c) Enagás, S.A. Management Report and Consolidated Management Report for the financial year.
- d) Auditors' Reports on the Consolidated Financial Statements and Enagás, S.A. Financial Statements.
- e) Annual Corporate Governance Report.
- f) Any other report or information required by law or deemed appropriate by the Board of Directors.

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

- The Shareholder Office.
- A free phone telephone number to be specified in the convening notice.
- The Company's website.

Up to the seventh day before the meeting is held, shareholders may request from Directors any information or clarification they deem appropriate concerning Agenda items, or submit in writing the questions they judge relevant.

During the General Meeting, shareholders may verbally request any information or clarifications they deem appropriate concerning Agenda items, and, if it is not possible to meet such requests at that time, Directors must provide written answers within a period of seven days following the end of the Meeting.

Directors are under obligation to provide the information requested, except in cases where, in the judgement of the Chairman, the dissemination of the information requested would be detrimental to Company interests, or on the grounds of legal or statutory provisions, legal or administrative resolutions. Such refusal shall not be possible when the request is put forward by shareholders representing at least 25% of the Company's share capital.

The information requested shall be provided to the shareholder requesting it in writing, within the period running from the date of the convening notice until the date of the Meeting inclusive, provided such request conforms to the requirements of time, execution and scope determined by law and the Regulations of the General Shareholders' Meeting.

2. - RIGHTS TO PARTICIPATE.

This right is regulated in article 8 of the Regulations.

Following accreditation in compliance with the provisions of article 9 of the Regulations of the General Shareholders' Meeting, shareholders may at any time propose questions of interest for the Company, or related to their shareholding, through the Shareholder Office, free phone line or the e-mail address included on the website.

The Company shall examine the questions, suggestions and comments submitted by shareholders, and shall respond to the same when considered appropriate for the good of the Company.

3. - RIGHTS OF ATTENDANCE.

In accordance with article 27 of the Company bylaws and article 9 of the Regulations of the General Shareholders' Meeting, attendance at General Meetings requires a minimum shareholding of 100 shares, provided these are duly recorded in the corresponding registries of member entities of IBERCLEAR (the Spanish securities clearing and settlement body) five days prior to the meeting and shareholder accreditation is confirmed, either via the corresponding attendance and voting card issued by member entities of IBERCLEAR or through the electronic attendance and voting card issued by the manager of the Book Entry Register or by an authorised share custodian.

Shareholders that do not hold the aforementioned number of shares may group together for the purposes of attendance, appointing a single shareholder to represent them.

4. - RIGHTS OF REPRESENTATION.

In accordance with article 27 of the Company bylaws and article 10 of the Regulations of the General Shareholders' Meeting, all shareholders entitled to attend meetings may be represented by another person, who need not be a shareholder.

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

All proxies shall be revocable. If the shareholder represented actually attends the meeting in person, the representation rights are automatically revoked, and he/she must inform the representative in order to ensure that this person does not attempt to exercise representation rights that are non-existent.

Shareholders who are natural persons prevented from exercising their civil rights and shareholders that are legal 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.

5. - VOTING RIGHTS.

This right is regulated in article 27 of the Company by-laws and article 11 of the Regulations of the General Shareholders' Meeting . All shareholders with attendance rights, under the terms set out in article 27 of the Company bylaws and implemented by article 9 of the Regulations of the General Shareholders' Meeting, shall be entitled to vote and may exercise such right on their own behalf or by representation, either by attending and voting at the Meeting in person, using a duly signed and accredited attendance and voting card, or by postal vote sent to the Shareholder Information Office, using a recognised electronic signature or other electronic media, or, in general any remote communication media envisaged by law, attaching the relevant electronic attendance and voting certificate.

E.4 Indicate the measures, if any, adopted to encourage participation by shareholders at General Shareholders' Meetings.

In addition to the rights to information, attendance, representation and vote described in the section above, accredited shareholders may submit questions of interest to the Company or related to their position as shareholders at any time via the Shareholder Office, the free phone line or e-mail address given on the Company website (article 8 of the Regulations of the General Shareholders' Meeting).

In accordance with the provisions of article 7.2 of the Regulations of the General Shareholders' Meeting, in the seven days extending from the date of the convening notice to the date of the meeting itself, shareholders may request from Directors any information or clarification they deem appropriate concerning Agenda items, or submit in writing the questions they judge relevant.

While the General Meeting is in progress, shareholders may verbally request any information or clarifications they deem appropriate concerning Agenda items, and, if it is not possible to satisfy such requests at that time, Directors must provide written answers within a period of seven days following the end of the Meeting.

Likewise, with the aim of encouraging shareholder participation in general meetings, the Company shall implement various practices including:

- Publishing the convening notice in the main communications media.
- Offering gifts as incentives for shareholders' personal attendance of general meetings.
- Holding meetings at a venue offering the best possible conditions for the meeting and easy access for shareholders and making transport available to them to facilitate their attendance.
- Offering personal assistance and directions for shareholders who wish to attend through personnel at the Shareholder Office.

E.5 Indicate whether the General Shareholders' Meetings is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting.

YES

Details of measures
<p>In accordance with article 12.2 of the Regulations of the General Shareholders' Meeting: the General Shareholders' 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 at the meetings. The Chairman shall be assisted by the Secretary of the Board of Directors, or, in his/her absence, by the shareholder elected in each case by shareholders attending the meetings.</p> <p>The smooth operation and progress of the meeting is ensured by the provisions established in the Regulations of the General Shareholders' Meeting, which establish the following:</p> <ul style="list-style-type: none">- The Board of Directors shall appoint a notary to attend general meetings, who shall be responsible for taking and drawing up the minutes, with the accompanying guarantee of neutrality and independence for all shareholders. The Chairman of the Audit and Compliance Committee of Enagás, S.A., in representation of the Committee, shall be available at meetings to respond to questions from shareholders on issues under the Committee's competency.

Details of measures

- The General Shareholders' Meeting must be attended by the Company's external auditors, 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 auditors.

Requirements and standards that definitively guarantee the smooth progress of general meetings are contained in articles 13 to 18 of the Regulations of the General Shareholders' Meeting, of which the following are of note:

- Before addressing Agenda items, an attendance list shall be drawn up, detailing the nature or representation of each attendee and the number of shares, owned or represented, by virtue of which they are attending, such that the summary of the attendance list shall determine the number of shareholders, present or represented, as well as the share capital they hold. Capital with voting rights shall be specified. The Deputy Secretary of the board or the person so appointed by the Chairman in his/her absence shall provide the Directors with two copies of said summary duly signed by him/her or a scrutinising shareholder. Attendance shall be considered closed for the purposes of establishing a quorum at the time stated in the call for the commencement of the Meeting.

- For the purposes of verifying the valid constitution of the meeting, Enagás prepares and proposes to the Management Company of Registry, Compensation and Settlement of Securities, the format of the attendance card to be issued to shareholders, ensuring that such format is uniform and incorporates a bar code so it can be read electronically, thus facilitating the electronic counting of attendees at the Meeting.

- From the moment they enter the venue of the meeting and throughout the same, shareholders shall have the support of personnel from the Shareholder Office for resolving any queries and facilitating their contribution.

- With the aim of guaranteeing the smooth course 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.

- Once the meeting has been validly constituted, the notary called 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 to verify and correct, as applicable, any possible errors.

- To facilitate the smooth running of the meeting, the Chairman shall request that shareholders who wish to take the floor approach the Chair and show their attendance cards so that an order for contributions may be established. Said request will be made before commencing the presentation of the financial year and proposals to be submitted to the meeting. The Chairman shall also be responsible for keeping debate within the limits of the Agenda and responding to shareholders either jointly or individually.

- In the event of any occurrence that substantially affects the proper order of the Meeting, the Chairman of the meeting may agree to suspend the same for as long as necessary, and may even postpone the session until the next possible business day should the circumstances persist.

- At the meeting, the Secretary shall give account of the results of the voting on any 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 issued and any change that may have occurred in the course of the meeting.

- Once all resolutions have been put to the vote, the 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.

- If the meeting has been held in the presence of a notary, the notary's deed shall be taken to constitute the minutes of the meeting, which shall not therefore require approval.

E.6 Indicate the amendments, if any, made to the General Shareholders' Meeting regulations during the year.

No amendments were made in 2009.

E.7 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

Attendance data					
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
27/03/09	17.918	8.535	0.000	36.860	63.313

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

The Ordinary Shareholders' Meeting was held on 27 March 2009. The resolutions adopted at the meeting are detailed below, along with the percentage of votes with which each resolution was passed.

RESOLUTIONS ADOPTED BY THE ORDINARY GENERAL SHAREHOLDERS' MEETING 2009:

RESOLUTION 1 - To adopt the annual accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes) and the directors' report for the financial year beginning on 1 January and ending on 31 December 2008 for Enagás, S.A. and its consolidated Group.

- Voting on the Resolution was as follows: For: 124,870,142 (98.349%); Against: 1,677 (0.001%); Abstentions: 2,095,015 (1.650%); Total votes cast: 126,966,834.

RESOLUTION 2 - To approve the distribution of Enagás, S.A. profit for financial year 2008, totalling a net profit of €255,396,035.70, in accordance with the following proposed distribution prepared by the Board of Directors:

Distribution (in €): Legal reserves: 0; Voluntary reserves: 100,065,738.40; Dividend: 155,330,297.66; Total: €255,396,035.70

- To pay out a final dividend in the amount of €93,259,390.06. This amount is the result of deducting from the total dividend for the year, €155,330,298.66, the interim dividend of €62,070,907.60 resolved by the Board of Directors on 22 December 2008 and paid to shareholders on 12 January 2009.

- The final dividend shall be paid on 2 July 2009.

- The total dividend for the financial year being proposed for approval in accordance with the previous paragraph equates to €0.650641 per share (gross).

- Once the interim dividend already paid – €0.26 gross per share - is deducted, the amount now payable is €0.390641 per share, before tax deductions.

- Voting on the Resolution was as follows: For: 126,964,589 (99.998%); Against: 1,514 (0.001%); Abstentions: 731 (0.098%); Total votes cast: 126,966,834.

RESOLUTION 3 - To approve the performance of the Board of Directors of Enagás, S.A. during the financial year 2008.

- Voting on the Resolution was as follows: For: 125,629,385 (98.947%); Against: 1,213,140 (0.955%); Abstentions: 124,309 (0.098%); Total votes cast: 126,966,834.

RESOLUTION 4 - To re-appoint the Company Deloitte S.L. as auditor of Enagás, S.A. and its consolidated Group for the statutory period of one year. The firm shall also be engaged to render any other auditing services required by law that the Company may need

until the next Ordinary General Meeting is held.

- Voting on the Resolution was as follows: For: 77,081,083 (60.710%); Against: 49,626,109 (39.086%); Abstentions: 259,642 (0.204%); Total votes cast: 126,966,834.

RESOLUTION 5 – 5.1. - To re-elect Mr Salvador Gabarró Serra as a Non-Independent director at the proposal of shareholder Gas Natural SDG, S.A., for the four-year term prescribed by the Company's bylaws.

- Voting on the Resolution was as follows: For: 123,814,015 (97.517%); Against: 3,150,929 (2.482%); Abstentions: 1,890 (0.001%); Total votes cast: 126,966,834.

5.2 - To re-elect Mr Ramón Pérez Simarro as an Independent director for the four-year term prescribed by the Company's bylaws.

- Voting on the Resolution was as follows: For: 126,721,045 (99.807%); Against: 243,899 (0.192%); Abstentions: 1,890 (0.001%); Total votes cast: 126,966,834.

5.3.- 5.3 - To re-elect Mr Martí Parellada Sabata Simarro as an Independent director for the four-year term prescribed by the Company's bylaws.

- Voting on the Resolution was as follows: For: 119,988,526 (94.504%); Against: 6,976,418 (5.495%); Abstentions: 1,890 (0.001%); Total votes cast: 126,966,834.

5.4.- To ratify and appoint any directors that the Board of Directors may appoint by co-option to cover any vacancies arising subsequent to the Notice of Meeting.

From the date on which the Board of Directors resolved to call the 2009 Ordinary Shareholders' Meeting, no new directors were appointed by co-option. This resolution was therefore not adopted.

5.5.- To establish, following the three re-elections agreed and within the limits established in the Company's bylaws, the number of directors at 16.

- Voting on the Resolution was as follows: For: 122,766,507 (96.691%); Against: 1,872,267 (1.475%); Abstentions: 2,328,060 (1.834%); Total votes cast: 126,966,834.

RESOLUTION 6 – The Company in General Meeting, in accordance with article 36(2) of the Company's bylaws, resolves to fix the maximum remuneration payable to directors for 2009 at €1,249,733, to be apportioned on the following basis:

- A director attending a minimum of two meetings during the year shall be entitled to a payment of €22,050.

- In addition, actual attendance at sessions will entitle any given director to a maximum of €42,446. The Board of Directors shall determine the specific amount payable for attendance, whether in person or by proxy, at each session.

- Likewise, board committee members shall be entitled to the sum of €11,025 per annum, with chairmanship of the same entitling them to an additional €5,513 per annum.

- The performance of the office of Vice-chairman of the Board of Directors shall be remunerated in the further amount of €32,025 per annum.

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

- Voting on the Resolution was as follows: For: 126,737,535 (99.819%); Against: 225,958 (0.178%); Abstentions: 3,341 (0.003%); Total votes cast: 126,966,834.

RESOLUTION 7 - To authorise the Board of Directors to issue either directly or through its subsidiaries, with the Company's guarantee, on one or more occasions, in a nominal value of up to three thousand million euros (€3,000,000,000) 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 uncertified 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 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 use the authorisations hereby conferred upon it, at the end of which period, the powers shall expire in respect

of the unexercised portion.

- Resolution 11, containing similar terms, passed at the General Meeting of 11 May 2007, is hereby rendered void.

- Voting on the Resolution was as follows: For: 122,156,915 (96.212%); Against: 913,447 (0.719%); Abstentions: 3,896,472 (3.069 %); Total votes cast: 126,966,834.

ITEM 8 - Presentation of the explanatory report on the matters under article 116 bis of the *Ley de Mercados de Valores* [Securities Market Act].

RESOLUTION 9 – 1. To delegate to the Board of Directors, with the broadest scope possible, the powers required to supplement, implement, perform and rectify 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.

To delegate indistinctly to the Chairman of the Board of Directors, Mr Antonio Llardén Carratalá, and the Secretary, Mr Rafael Piqueras Bautista, the powers required to formalise the resolutions adopted by the General Meeting and register any resolution so requiring, whether wholly or in part, for which purpose they may execute all classes of notarised and non-notarised instruments, including for the supplementing or rectification of such resolutions.

- Voting on the Resolution was as follows: For: 126,964,380 (99.998%); Against: 1,672 (0.001%); Abstentions: 782 (0.001 %); Total votes cast: 126,966,834.

E.9 Indicate whether the bylaws impose any minimum requirement on the number of shares needed to attend the General Shareholders' Meetings.

YES

Number of shares needed to attend the General Shareholders' Meetings	100
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E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Shareholders' Meeting.

In accordance with article 27 of the Company bylaws and article 10 of the General Shareholders' Meeting Regulations, all shareholders entitled to attend General Meetings may appoint another person, who need not be a shareholder, to represent them using the delegation form provided by the Company for each meeting that is printed on the attendance card. The same shareholder may not be represented at the meeting by more than one representative.

Representation shall be specific for each Meeting and conferred in writing via mail, or any means of remote communication envisaged by law, provided at all times that the identity of the subject exercising such representation is duly certified. All proxies shall be revocable.

If the shareholder represented actually attends the meeting in person, the representation rights are automatically revoked, and he/she must inform the representative in order to ensure that this person does not attempt to exercise representation rights that are non-existent.

E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes.

NO

E.12 Indicate the address and mode of accessing corporate governance content on your company's website.

All information on Enagás, S.A.'s Corporate Governance is available to the public on its website:

(www.enagas.es /
www.enagas.com).

Access to the aforementioned information is as follows:

In Spanish: Página Principal - Accionistas e Inversores - Gobierno Corporativo. In English: Investor Relations - Corporate Governance.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations. Should the company not comply with any of them, explain the recommendations, standards, practices or criteria the company applies.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Explain

- Act 12/2007 of 2 July, amending the Hydrocarbons Industry Act (Act 34/1998 of 7 October) in accordance with Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas, provides new wording for the 20th Additional Provision of the Hydrocarbons Industry Act, which vests in Enagás, S.A. the capacity of "technical system operator" and sets ceilings on shareholdings in the Company. The wording of the 20th Additional Provision now stands as follows: The Company ENAGÁS, Sociedad Anónima, shall assume the functions, rights and obligations of Technical System Operator. (...) No individual or body corporate may hold a direct or indirect stake of more than 5% in the equity capital of the Company responsible for the technical management of the system, nor may they exercise voting rights in such company of over 3%. Under no circumstances may such share holdings be syndicated. Those parties that operate within the gas sector, including those natural persons or bodies corporate that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the System Technical Manager of over 1%. These restrictions will not apply to direct or indirect equity interests held by the public business realm. Under no circumstances may share holdings be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.

For the purposes of calculating the stake in that shareholding structure, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by article 4 of Act 24/1988, dated 28 July, on the Securities Market stakes shall be attributed to one and the same individual or body corporate when they are owned by:

a) Those parties who act in their own name but on behalf of that individual or body corporate in a concerted fashion or forming a decision-making unit with them. Unless proven otherwise, it shall be deemed that the members of the Board of Directors of a body corporate act on its behalf or in a concerted fashion with it.

b) The partners together with whom that individual or body corporate exercises control over a controlled entity under the provisions of article 4 of Act 24/1988, dated 28 July, governing the Securities Market.

Nonetheless, both the actual ownership of the shares and other securities and the voting rights held through any certificate shall be taken into account.

Non-compliance with the limitation on a stake in the capital referred to in this article shall be deemed a very serious breach in accordance with the terms set out in article 109 of this Act. Responsibility shall lie with the individuals or bodies corporate that end up as owners of the securities or whoever the excess stake in the capital or in the voting rights can be attributed to, pursuant to the provisions of the preceding paragraphs. Whatever the case, the penalty system stipulated herein will apply.

- The 6th Transitional Provision of Act 12/2007 of 2 July provides that within four months of its coming into force, Enagás, S.A. shall bring its bylaws into line with the 20th Additional Provision of Act 34/1998 of 7 October. The 2nd Transitional Provision of Act 12/2007 of 2 July further prescribes: Any voting rights attaching to shares and other securities held by persons with an ownership interest in the share capital of ENAGÁS, S.A in excess of the ceilings set forth in the 20th Additional Provision of the Hydrocarbons Industry Act shall be suspended as from the coming into force of this provision.

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

In accordance with the aforementioned legal provision, article 6a bis ("Limitation of interest in share capital and of the exercise of voting rights") of Enagás, S.A.'s bylaws stipulates the following: "No individual or body corporate may hold a direct or indirect stake of more than 5% in the equity capital of the Company responsible for the technical management of the system, nor may they exercise voting rights in such company of over 3%. Under no circumstances may such share holdings be syndicated. Those parties that operate within the gas sector, including those natural persons or bodies corporate that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the System

Technical Manager of 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 the stake in that shareholding structure, there shall apply the 20th Additional Provision Act 34/1998 of 7 October (the Hydrocarbons Industry Act).

- It is for this reason that, since there is an express legal and statutory limit on the exercise of voting rights, Enagás, S.A. is unable to adopt the recommendation that no upper limit be placed on the votes that can be cast by a single shareholder.

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:
- The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
 - The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
- Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- Operations that effectively add up to the company's liquidation

Complies

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- The appointment or ratification of directors, with separate voting on each candidate;
- Amendments to the bylaws, with votes taken on all articles or group of articles that are materially different.

*See section:
E.8*

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The company's general policies and strategies, and, in particular:
 - i) The strategic or business plans, management targets and annual budgets;
 - ii) Investment and financing policy;
 - iii) Design of the structure of the corporate group;
 - iv) Corporate governance policy;
 - v) Corporate social responsibility policy;
 - vi) Remuneration and evaluation of senior officers;
 - vii) Risk control and management, and the periodic monitoring of internal information and control systems;
 - viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14

- ii) Directors' remuneration, and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See section: B.1.14

- iii) The financial information that all listed companies must periodically disclose.
- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
- v) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form contracts applied on an across-the-board basis to a large number of clients;
2. They go through at market prices, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Explain

The recommendation, which would affect the bylaws, to reduce the number of Directors to between five (5) and fifteen (15) as recommended in the Unified Code, instead of between six (6) and seventeen (17) as currently established in article 35 of the

Company bylaws, has not been incorporated because it was deemed that due to the legal limits placed on capital interests, the structure of the Board must be such as to allow for the addition of representatives of potential future shareholders without such addition entailing any reduction in the desired percentage of Independent Directors.

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders:

See section: B.1.3

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3

Complies

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections: B.1.3 and B.1.4

Complies

15. When women directors are few or non-existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 and B.2.3

Explain

At the date of publication of this report, only one of a total of sixteen (16) members of the Board of Directors is a woman, María

Teresa García-Milá Lloveras, and Enagás, S.A. should therefore prioritise and try to increase female representation should a vacancy arise on the Board, especially for independent seats.

Given the above, in 2008 the Board adopted various initiatives aimed at rectifying the gender imbalance. In particular, article 8 of the Regulations of the Board of Directors expressly incorporates the principle of equal treatment of men and women set out in the Unified Code. The new article stipulates that the process for filling board vacancies has no implicit bias against women candidates. The Company shall seek out and include women with the target profile among the candidates for board places.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See section: B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section: B.1.21

Complies

18. The Secretary should take care to ensure that the board's actions:

- a) adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting , the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Partially complies

In 2009 the Company endeavoured to avoid director absences unless absolutely necessary. There were a total of 16 absences, and bearing in mind that 12 board meetings were held, this represents 8% of the total votes during the year and, in all cases, the absent directors delegated their vote to the Chairman or another director.

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. It shall also offer Directors refresher courses when circumstances so dictate.

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Partially complies

Point a) of article 13 of the Regulations of the Board of Directors ("Duty of diligent administration") stipulates that board members must inform the Appointments and Remunerations Committee of any professional obligations that might detract from the necessary dedication. The Company may limit the number of directorships its board members can hold if this may also detract from the commitment required.

The Enagás, S.A. Regulations of the Board of Directors place no quantitative limit on the number of directorships its board members can hold but expressly incorporates the content of this Recommendation.

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

a) On the proposal of the Nomination Committee, in the case of independent directors. b)

Subject to a report from the Nomination Committee in all other cases.

See section: B.1.2

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication of the director's classification as executive, proprietary or independent; In the case of proprietary directors, stating the shareholder they represent or have links with.

The date of their first and subsequent appointments as a company director; and

e) Shares held in the company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continued period of more than 12 years.

See section: B.1.2

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. They shall also do so, in the appropriate number, when the shareholder in question reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

See sections: A.2, A.3 and B.1.2

Partially complies

Article 12.2 f) of the Regulations of the Board of Directors stipulates that Directors must place their offices at the Board of Directors' disposal, and tender their resignation, if the Board deems this appropriate, when the shareholders they represent dispose of their shareholding in its entirety. They shall also do so, in the appropriate number, when said shareholder reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

Should the Board of Directors not deem it advisable to have a Director tender his/her resignation in the cases specified under letters d), e) and f) of article 12.2, the latter must be included in the category that, in accordance with the present Regulations, is most appropriate based on his/her new circumstances.

In compliance with this Recommendation, Luis Javier Navarro Vigil is now included under the category of "Other External Directors" as the shareholder who proposed his appointment as Proprietary Director on 15 November 2006, B.P. España S.A.U., has sold its entire shareholding in the Company. However, he is not considered to be an Independent Director as he maintains or has maintained a significant business relationship with the Company.

Nonetheless, it was decided to classify Luis Javier Navarro Vigil under the category "Other External Directors" as he did not meet all the conditions required to be classified as an Independent Director as stipulated by the Unified Good Governance Code related to Order ECO/3722/2003 of 26 December and CNMV Circular 4/2007 of 27 December.

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III. 5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This terms of this Recommendation should also apply to the Secretary to the Board, director or otherwise.

Complies

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Complies

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

- a) The amount of the fixed components, itemised, where necessary, of board and board committee attendance fees, with an estimate of the fixed annual remuneration they give rise to.
- b) Variable components, in particular:
 - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
 - iii) The main parameters and grounds for any system of annual bonuses or other non cash benefits; and
 - iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.
- d) The conditions to apply to the contracts of executive directors exercising senior management functions, among them:

- i) Duration;
- ii) Notice periods; and
- iii) Any other clauses covering hiring bonuses, as well as indemnities or “golden parachutes” in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company’s performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3 and B.1.3

Complies

37. External directors’ remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor’s report.

Complies

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company’s sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The Board should submit a report on the directors’ remuneration policy to the advisory vote of the General Shareholders’ Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Partially complies

In accordance with the provisions of article 36 of the Company bylaws, the Company’s Board of Directors each year proposes to shareholders at the General Meeting the maximum compensation that should be paid to Directors for performance of their functions, as well as the breakdown between remuneration for attendance and membership of Board Committees, remuneration for chairing said Committees and remuneration for serving as Vice-chairman of the Board.

The remuneration paid to the Chairman for performance of his executive functions is approved by the Board of Directors.

The Appointments and Remunerations Committee informs the Board of Directors of all proposals relating to remuneration policy

In 2009, the Appointments and Remunerations Committee did not feel it was necessary to engage an external advisor to establish its directors' remuneration policy.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:
- a) a breakdown of the compensation obtained by each company director, to include where appropriate:
 - i) Participation and attendance fees and other fixed directors payments;
 - ii) Additional compensation for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any compensation they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

 - b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.

 - c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Complies

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6

Not applicable

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Not applicable

44. In addition to the Audit Committee mandatory under the Securities Market Act, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy sent to of the minutes sent to all board members.

See sections: B.2.1 and B.2.3

Complies

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee, report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, ...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

See sections: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or

accounting irregularities, with potentially serious implications for the firm.

2. With respect of the external auditor:

a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of his engagement.

b) Receive regular information from the external auditor on the progress *and* findings of the audit programme, and check that senior management are acting on its recommendations.

c) Monitor the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complies

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

Complies

55. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Partially complies

The duties and responsibilities of the Appointments and Remunerations Committee are stipulated in articles 45 of the bylaws and 25 of the Regulations of the Board of Directors and are described in section B.2.3 above. The Company complies with the Recommendation in c) above as these provisions stipulate that the Committee must designate and dismiss senior management staff, and where necessary, approve special conditions in their contracts.

However, the Company only partially complies with the functions described in a) b) and d) of Recommendation 55. Even though the Appointments and Remunerations Committee endeavours to comply with these, said provisions include, inter alia, functions related to those recommended but which are not identical. These are:

- To establish payment criteria for the Company's Directors, in accordance with the stipulations of the bylaws and in line with resolutions passed at the General Shareholders' Meeting, and to ensure that payments are transparent.
- Establishing a general remuneration policy for Enagás, S.A., management personnel, justifying the same to the Board of Directors, and guidelines relating to the appointment, selection, promotion and dismissal of senior managers, in order to ensure that the Company has the appropriate highly qualified staff for administering its business at all times.
- To review the structure of the Board of Directors, the criteria for the statutory renewal of Directors, the incorporation of new members and any other aspects relating to its composition that it deems appropriate, providing the Board of Directors with the proposals that it considers necessary.
- To formulate and revise the criteria to be followed in the composition of the Board of Directors and for the selection of the candidates proposed for the post of Director.
- To provide information, objectively and in the Company's interest, concerning the proposals for appointment, re- election and ratification of Directors, as well as for the appointment of members of Board Committees.
- To freely formulate proposals to the Board of Directors regarding the Company's organisational structure, including the creation of senior management posts, in order to achieve improved and more efficient company administration.
- To approve payment of senior management, providing that this does not diverge from criteria established in the general payment policy for Management.

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration and other contractual conditions of executive directors.
 - iii) The standard conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G OTHER INFORMATION OF INTEREST

If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report, indicate and explain below.

CLARIFICATION OF SECTION A.2: Indicate the most significant movements in the shareholder structure during the year. - On 23 June 2009 Gas Natural SDG, S.A. notified the Comisión Nacional del Mercado de Valores (hereafter, the CNMV) of the authorisation granted by the Comisión Nacional de la Competencia (hereafter, the CNC) to transfer 11,936,702 shares, equivalent to 5% of the share capital of Enagás, S.A., giving Oman Oil Holdings Spain, S.L.U., a fully integrated subsidiary of Oman Oil Company S.A.O.C., a direct holding in Enagás, S.A.,. Therefore, as of 25 June 2009 Gas Natural SDG, S.A. ceased to be a significant shareholder in Enagás, S.A. as Oman Oil Holdings Spain, S.L.U. notified the CNMV that it had acquired the abovementioned significant shareholding in Enagás, S.A.

CLARIFICATION OF SECTION A.3: Complete the following tables on company directors holdings voting rights through company shares. The table included at the end of this section, referring to the number of direct and indirect share options and the number of equivalent shares, hasn't been completed, because any Director holds rights of option on shares in Enagás, S.A. .

CLARIFICATION OF SECTION A.5: Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities. - We would also mention other transactions between Enagás, S.A. and GRUPO GAS NATURAL SDG, S.A. which was the Company's significant shareholder and related party as stipulated in section d) of point 4.1 of Ministerial Order EHA 3050/2004), until 25 June 2009, on which date it sold its 11,936,702 shares, equivalent to 5% of the share capital of Enagás, S.A., to Oman Oil Holdings Spain, S.L.U., a fully integrated subsidiary of Oman Oil Company S.A.O.C.

1) On 12 January 2009, Enagás S.A. paid Gas Natural SDG, S.A. an interim dividend of €3,104 thousand.

2) Enagás S.A. paid Gas Natural group companies €7,618 thousand for self-supply.

3) Desarrollo del Cable S.A. leases Enagás, S.A. part of the fibre optic cable required for its telecommunications services at market rates under a contract signed in 1999 and amended in 2005. The cost of this service in 2009 was €19,242 thousand.

4) Enagás S.A. has a total of 30 third-party access (TPA) agreements in force with Gas Natural Comercializadora S.A., Gas Natural S.U.R. and Gas Natural Servicios S.A., of which three are short-term and 27 are long-term. Of the four TPA contracts signed in 4Q09, three remained in force at 31 December 2009. Between 1 January and 31 December 2009 the following services were provided:

- Regasification of 51,544.76 GWh, (revenues for these services including cistern loading, the unloading of tankers and LNG storage, totalled €57,727.89 thousand).

- Transport of 131,126.80 GWh (revenues from these services, including the transport component of tolls, totalled €80,069.42 thousand).

- Storage of an average of 12,151.67 GWh (revenues from these services totalled €60,456.5 thousand).

TOTAL AMOUNT OF TPA SERVICES PROVIDED TO GRUPO GAS NATURAL SDG, S.A.: €198,253.91 THOUSAND.

- TPA contracts are standard forms approved by the Ministry for Industry, Trade and Tourism. The tolls billed by Enagás are also standardised by the Ministry.

CLARIFICATION OF SECTION B.1.2: Complete the following table with board members' details: - At the board meeting of 27 July 2009, the legal person director BILBAO BIZKAIA KUTXA (BBK), announced the decision to replace Xabier de Irala Estévez with Joseba Andoni Aurrekoetxea Bergara, as director of Enagás, S.A.

CLARIFICATION OF SECTION B.1.6: Indicate what powers, if any, have been delegated to the Chief Executive Officer: The Company does not have a Chief Executive Officer.

CLARIFICATION OF SECTION B.1.8: List any company board members who likewise sit on the Boards of Directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company: - José Luis Olivas Martínez, who represents BANCAJA (Caja de Ahorros de Valencia, Castellón y Alicante), is a director of IBERDROLA, S.A. and Chairman of the IBERDROLA Consultative Committee in Valencia. He was also a director of ABERTIS INFRAESTRUCTURAS, S.A. until 24 November 2009.

- Carlos Egea Krauel, who represents SAGANE INVERSIONES, S.L., is a director of IBERDROLA RENOVABLES, S.A. and Secretary of the board of CONFEDERACIÓN ESPAÑOLA DE LAS CAJAS DE AHORROS (CECA).

CLARIFICATION OF SECTION B.1.9: Indicate and, where appropriate, explain whether the company has established rules about the

number of boards on which its directors may sit. - Article 13 of the Regulations of the Board of Directors stipulates that the Company may limit the number of directorships its board members can hold if this may also detract from the commitment required. Board members must also inform the Appointments and Remunerations Committee of any other professional obligations that might detract from the necessary dedication.

CLARIFICATION OF SECTION B.1.11: Complete the following tables indicating the aggregate remuneration paid to directors of directors during the year: - "Others" in section B.1.11.a) includes €77 thousand paid to the Chairman as remuneration in kind.

CLARIFICATION OF SECTION B.1.16: Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants. - The Appointments and Remunerations Committee of Enagás, S.A. did not engage an external advisor in 2009.

CLARIFICATION OF SECTION B.1.17: List any board members who are likewise members of the Boards of Directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies. - Manuel Menéndez Menéndez, who represents the shareholder PEÑA RUEDA, S.L.U., is Chairman of Caja de Ahorros de Asturias (CAJASTUR).

- José Luis Olivas Martínez, who represents the shareholder Caja de Ahorros de Valencia, Castellón y Alicante (BANCAJA), is Chairman of BANCAJA.

- Enrique Martínez Robles, who represents the shareholder Sociedad Estatal de Participaciones Industriales (SEPI), is Chairman of SEPI.

- Joseba Andoni Aurrekoetxea Bergara, who represents the shareholder Bilbao Bizkaia Kutxa (BBK) since 27 July 2009, is Chairman of the control committee at BBK.

CLARIFICATION OF SECTION B.1.22: Are qualified majorities, other than legal majorities, required for any type of decisions? - No qualified majorities are required, other than those legally-established.

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions. Article 29 of the bylaws and article 7 of the Regulations of the Board of Directors stipulate that Meetings of the Board of Directors shall be validly constituted when at least half its members plus one are present or represented, except when the meeting has not been duly convened, in which case the attendance of all members is required. The aforementioned articles also stipulate that resolutions shall be adopted with the vote in favour of an absolute majority of Directors present or represented, irrespective of the type of decision in question, except in the case of written ballots held without meeting, which shall only be permissible when none of the Directors oppose the procedure and the requirements established in the Regulations of the Commercial Registry are satisfied.

CLARIFICATION OF SECTION B.1.40: List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies. - Manuel Menéndez Menéndez, who represents Peña Rueda, S.L. on the board of Enagás, S.A., is also, as an individual, Chairman of the Board of Directors of Hidroeléctrica del Cantábrico, S.A. (H.C.), Chairman of the Board of Directors of NATURGAS ENERGÍA GRUPO, S.A. and a director of EDP RENOVABLES, S.A.

- José Luis Olivas Martínez, who represents Caja de Ahorros de Valencia, Castellón y Alicante (BANCAJA) on the board of Enagás, S.A., as an individual, is also a director of IBERDROLA, S.A. and Chairman of the IBERDROLA, S.A. Consultative Committee in Valencia. He also owns 10,357 shares in Iberdrola, S.A. and 18,867 shares in Iberdrola Renovables, S.A.

CLARIFICATION OF SECTION B.2.3: Describe the organisational and operational rules and the responsibilities attributed to each of the board committees. Given that it is technically impossible to include all the information in B.2.3 of this form, the rest of the text is reproduced below. DUTIES OF THE AUDIT AND COMPLIANCE COMMITTEE:

e) In relation to Corporate Governance: - Assessing compliance with the Internal Code of Conduct in Matters Relating to Stock Markets, the Regulations of the Board of Directors and the Company's governance regulations in general, and make the proposals necessary for their improvement. In fulfilling this duty, the Appointments and Remunerations Committee shall liaise with the Audit and Compliance Committee in considering company directors and managers' compliance with the Code.

- Preparing an Annual Report on the work of the Audit and Compliance Committee that shall form part of the Corporate Governance Report.
- Assisting with drafting the Annual Corporate Governance Report, especially in areas concerning transparency of information and conflicts of interests.

f) In relation to shareholders: - Providing information on questions within the scope of its competencies at the General Shareholders' Meeting.

- The above functions, with the exception of those attributed directly to the Audit and Compliance Committee by law or in the Company bylaws, shall be considered delegated functions and may therefore be executed, at any time, on prior request, directly by the Board of Directors itself. Resolutions adopted by the Committee in the exercise of delegated functions shall not be binding for the Board of Directors. However, the Board must provide due justification of any decision it adopts without taking account of the reports or recommendations of the Audit and Compliance Committee on issues under its competency.

CLARIFICATION OF SECTIONS A.4, B.1.4, B.1.6, B.1.7, B.1.17, B.1.36 AND B.2.6: ENAGÁS, S.A. does not comply with any of these Recommendations as they are not deemed to affect the Company.

CLARIFICATION OF SECTION C.2: List any relevant transactions entailing a transfer of assets or liabilities between the Company or its group companies and significant shareholders in the Company: - Regarding the transactions entered into between Enagás, S.A. and its significant shareholders, we would note that Caja de Ahorros de Asturias (CAJASTUR) contributed €65,000 thousand to the CLUB DEAL loan arranged on 24 November 2004 and disbursed on 10 January 2005, which was repaid early on 10 July 2009. We refer to this transaction in section C.2 above as a commercial operation involving finance agreements, loans and capital contributions (lender), for this amount.

- We would include other transactions between Enagás, S.A. and GRUPO GAS NATURAL SDG, S.A. which was the Company's significant shareholder and related party as per paragraph d) of point 4.1 of Ministerial Order EHA 3050/2004, until 25 June 2009, on which date it sold its 11,936,702 shares, equivalent to 5% of the share capital of Enagás, S.A., to Oman Oil Holdings Spain, S.L.U., a fully integrated subsidiary of Oman Oil Company S.A.O.C.

1) On 12 January 2009, Enagás S.A. paid Gas Natural SDG, S.A. an interim dividend of €3,104 thousand.

2) Enagás S.A. paid Gas Natural group companies €7,618 thousand for self-supply.

3) Desarrollo del Cable S.A. leases Enagás, S.A. part of the fibre optic cable required for its telecommunications services at market rates under a contract signed in 1999 and amended in 2005. The cost of this service in 2009 was €19,242 thousand.

4) Enagás S.A. has a total of 30 third-party access (TPA) agreements in force with Gas Natural Comercializadora S.A., Gas Natural S.U.R. and Gas Natural Servicios S.A., of which three are short-term and 27 are long-term. Of the four TPA contracts signed in 4Q09, three remained in force at 31 December 2009. Between 1 January and 31 December 2009 the following services were provided:

- Regasification of 51,544.76 GWh, (revenues for these services including cistern loading, the unloading of tankers and LNG storage, totalled €57,727.89 thousand).

- Transport of 131,126.80 GWh (revenues from these services, including the transport component of tolls, totalled €80,060.42 thousand).

- Storage of an average of 12,151.67 GWh (revenues from these services totalled €60,456.5 thousand).

TOTAL AMOUNT OF TPA SERVICES PROVIDED TO GRUPO GAS NATURAL SDG, S.A.: €198,253.91 THOUSAND.

- TPA contracts are standard forms approved by the Ministry for Industry, Trade and Tourism. The tolls billed by Enagás are also standardised by the Ministry.

CLARIFICATION OF SECTION C.3: List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies, and the company's managers or directors:

- TRANSACTIONS WITH BILBAO BIZKAIA KUTXA (BBK): Enagás, S.A. has a €12,000 thousand credit line with BBK. Enagás has also arranged a €50,000 thousand loan with BBK maturing in one year. Enagás S.A. has an interest rate collar contract worth €30,000 thousand with BBK for the period running from October 2008 to January 2010. We refer to this transaction in section C.3 above as a commercial operation involving finance agreements, loans and capital contributions (lender), totalling €92,000 thousand. The terms in all financial agreements with BBK are normal market interest rates, fees, expenses and guarantees.

- TRANSACTIONS WITH CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE (BANCAJA): Enagás, S.A. has a €6,000 thousand credit line with BANCAJA, as well as an interest rate collar worth €50,000 thousand for the period running from October 2008 to January 2010. We refer to this transaction in section C.3 above as a commercial operation involving finance agreements, loans and capital contributions (lender), totalling €56,000 thousand. The terms in all financial agreements with BANCAJA are normal market interest rates, fees, expenses and guarantees.

- In accordance with the provisions of section a) of point 4.1. of Ministerial Order EHA 3050/2004, pertaining to transactions with directors, executives and their close family members:

1) DIRECTORS:

- Attendance fees paid to members of the Board of Directors to 31 December 2009 totalled €1,155 thousand.

- Remuneration to each director at 31 December 2009 can be broken as follows (in thousands €):

NAME OR CORPORATE NAME OF DIRECTOR OR SENIOR MANAGER AND AMOUNTS IN THOUSANDS €:

ANTONIO LLARDÉN CARRATALÁ:	1,621
JESÚS DAVID ÁLVAREZ MEZQUÍRIZ	64
BBK (BILBAO BIZKAIA KUTXA):	72
BANCAJA (CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE):	108.
CARLOS EGEA KRAUEL:	26
SALVADOR GABARRÓ SERRA:	21
TERESA GARCÍA-MILÁ LLOVERAS:	76
MIGUEL ÁNGEL LASHERAS MERINO:	64
DIONISIO MARTÍNEZ MARTÍNEZ:	78

LUIS JAVIER NAVARRO VIGIL:	76
MARTÍ PARELLADA SABATA:	81
PEÑA RUEDA, S.L.U.:	64
RAMÓN PÉREZ SIMARRO:	76
JOSÉ RIVA FRANCO:	64
SAGANE INVERSIONES, S.L.:	49
SAID AL MASOUDI:	23
SEPI (SPANISH STATE HOLDING COMPANY):	73
ANTONIO TÉLLEZ DE PERALTA:	76

- Attendance fees (€1,155 thousand) paid to directors who resigned in the course of 2009 were also included in the calculation of these payments. Specifically those paid to CARLOS EGEA KRAUEL, for a total amount of €26,000 thousand for attending board meetings up until the date of his resignation, i.e. 27 April 2009; as well as those paid to SALVADOR GABARRÓ SERRA, for a total amount of €21,000 for attending board meetings up until the date of his resignation, i.e. 7 April 2009.

- Also, when calculating the remuneration paid to the directors who replaced the abovementioned directors, the dates on which the former were appointed were taken into consideration. These are as follows, for SAGANE INVERSIONES, S.L. (replacing Carlos Egea): 27 April 2009 and for SAID AL MASOUDI (replacing Salvador Gabarró): 27 July 2009.

- Also, the remuneration paid to the Chairman of the Board, ANTONIO LLARDÉN CARRATALÁ, which totalled €1,621 thousand, included both fixed and variable remuneration, attendance fees and other remuneration in kind. Neither payments made to pension funds/plans nor obligations made to pension funds/plans are included in this amount. For further details on the remuneration, see Section B.1.11 above.

2) SENIOR MANAGEMENT:

Remuneration paid to the Company's senior management totalled €2,450 thousand. Also included is the remuneration paid to the Management Committee and the Head of the Internal Audit Unit at Enagás, S.A. For further details, see Section B.1.12 above.

3) OTHER RELATED PARTIES:

- We would also mention other transactions between Enagás, S.A. and Other Related Parties, section b) of point 4.1. of Ministerial Order EHA 3050/2004) relating to 2009: Included are transactions with companies with a significant influence over Enagás, S.A. and companies over which Enagás, S.A. has a significant influence (Ministerial Order EHA 3050/2004):

I) CAJA MURCIA:

Enagás, S.A. has entered into the following transactions with Caja Murcia:

1) A €35,000 thousand credit line.

2) A €6,000 thousand bank guarantee line.

- The terms in all financial agreements with Caja Murcia are normal market interest rates, fees, expenses and guarantees.

- We would include the following other related-party transactions (as per paragraph d. of point 4.1, of Ministerial Order 3050/2004):

II) LA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA (LA CAIXA) AND GROUP ENTITIES:

1) La Caixa contributed €89,000 to the CLUB DEAL loan arranged on 24 November 2004 and disbursed on 10 January 2005, which was repaid early on 10 July 2009.

2) In 2009 Enagás, S.A. also extended a €100,000 thousand credit line.

3) Technical guarantees granted by La Caixa to Enagás, S.A. at 31 December 2009 amounted to €30,000 thousand, while financial guarantees amounted to €58,939 thousand.

4) Enagás has renting agreements with La Caixa group subsidiaries for €8,530 thousand. Expenses related to these agreements for Enagás, S.A. amounted to €1,521 thousand.

5) Enagás S.A. has an interest rate collar contract worth €100,000 with La Caixa for the period running from October 2008 to January 2010.

6) La Caixa has granted Enagás, S.A. a 3-year €100,000 thousand loan.

7) In addition, La Caixa and Enagás, S.A. have signed an agreement in which the bank will broker a loan for €175,000 thousand corresponding to the B tranche of the €1,000,000 thousand loan granted by EIB.

8) Lastly, Enagás, S.A. arranged an interest-rate swap with La Caixa for €50,000 thousand for the period running from November 2009 to November 2012.

- The terms in all financial agreements with La Caixa are normal market interest rates, fees, expenses and guarantees.

III) CAIXA CATALUNYA:

1) Enagás, S.A. has renewed and extended a €10,000 thousand credit policy with Caixa Catalunya.

2) Enagás, S.A. has a bank guarantee line of €12,000 thousand with Caixa Catalunya.

3) Caixa Catalunya contributed €15,000 thousand to the Club Deal loan arranged on 24 November 2004 and disbursed on 10 January 2005, which was repaid early on 10 July 2009.

- The terms in all financial agreements with Caixa Catalunya are normal market interest rates, fees, expenses and guarantees.

IV) BANCO SABADELL:

- 1) Banco Sabadell and Enagás, S.A. have signed an agreement in which the bank will broker a loan for €100,000 thousand corresponding to the C tranche of the €1,000,000 thousand loan granted by EIB.
 - 2) Enagás also has a 3-year €6,000 thousand credit line with Banco Sabadell.
 - 3) Banco Sabadell has granted Enagás, S.A. a 3-year €150,000 thousand loan.
 - 4) Enagás, S.A. has a bank guarantee line of €6,000 thousand with Banco Sabadell.
 - 5) Lastly, Enagás, S.A. arranged an interest-rate swap with Banco Sabadell for €50,000 thousand for the period running from November 2009 to November 2012.
- The terms in all financial agreements with Banco Sabadell are normal market interest rates, fees, expenses and guarantees.

V) EULEN, S.A:

- Enagás, S.A. paid Eulen some €2,221 thousand for building and installation maintenance services.

VI) GRUPO INTERMONEY:

- Enagás received €4,260 thousand from "Wind to Market S.A." from the sale of emission rights. This transaction was carried out at normal market rates.

VII) GRUPO GAS NATURAL SDG, S.A. (related-party transactions, excluding TPA):

- 1) On 12 January 2009, Enagás S.A. paid Gas Natural SDG, S.A. an interim dividend of €3,104 thousand.
- 2) Enagás S.A. paid Gas Natural group companies €7,618 thousand for self-supply.
- 3) Desarrollo del Cable S.A. leases Enagás, S.A. part of the fibre optic cable required for its telecommunications services at market rates under a contract signed in 1999 and amended in 2005. The cost of this service in 2009 was €19,242 thousand.

- We would also mention other transactions between Enagás, S.A. and Other Related Parties, section b) of point 4.1. of Ministerial Order EHA 3050/2004) relating to third-party access (TPA) services in 2009: - TPA contracts are standard forms approved by the Ministry for Industry, Trade and Tourism. The tolls billed by Enagás are also standardised by the Ministry. These TPA services are:

VII) GRUPO GAS NATURAL SDG, S.A. (only TPA):

- Enagás S.A. has a total of 30 third-party access (TPA) agreements in force with Gas Natural Comercializadora S.A., Gas Natural S.U.R. and Gas Natural Servicios S.A., of which three are short-term and 27 are long-term. Four TPA agreements were signed in 4Q09, of which only three remained in force at 31 December 2009.
- Between 1 January and 31 December 2009 the following services were provided: Regasification of 51,544.76 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €57,727.89 thousand); transport of 131,126.80 GWh (billings for these services, including the transport component of tolls, were €80,069.42 thousand); storage of a daily average of 12,151.67 GWh (billings for these services were €60,456.5 thousand).
- TOTAL FROM TPA SERVICES: €198,253.81 THOUSAND.

VIII) IBERDROLA, S.A.:

- 1) In 2009, Enagás S.A. paid Iberdrola S.A. €5,457 thousand for self-supply.
 - 2) Enagás S.A. has a total of 14 third-party access (TPA) agreements in force with Iberdrola S.A., of which one is short-term and 13 long-term. It arranged one TPA agreement in 4Q09, which is no longer in force.
- Between 1 January and 31 December 2009 the following services were provided: Regasification of 12,981.39 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €622.30 thousand); transport of 14,957.58 GWh (billings for these services, including the transport component of tolls, were €22,809.58 thousand); storage of a daily average of 1,980.95 GWh (billings for these services were €11,826.57 thousand).
- TOTAL FROM TPA SERVICES: €46,258.45 THOUSAND.

IX) NATURGÁS COMERCIALIZADORA, S.A.:

- Enagás S.A. has a total of nine TPA contracts in force with Naturgas Comercializadora, S.A. of which eight are long-term and one is short-term. Two TPA agreements were signed in 4Q09, of which only three remained in force at 31 December 2009.
- Between 1 January and 31 December 2009 the following services were provided: Regasification of 1,885.31 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €1,955.06 thousand); transport of 1,637.80 GWh (billings for these services, including the transport component of tolls, were €704.62 thousand); storage of a daily average of 1,305.76 GWh (billings for these services were €6,721.95 thousand).
- TOTAL FROM TPA SERVICES: €9,381.63 THOUSAND. X)

HIDROCANTÁBRICO ENERGÍA, S.A.:

- In 2009, Enagás incurred costs of €1,726 thousand for electricity services provided by Hidrocantábrico.
- Enagás, S.A. has total of three long-term TPA contracts in force with Hidrocantábrico Energía, S.A. In the fourth quarter, there were no new contracts. Some 2,465.16 GWh were transported and billing for this service totalled €866.36 thousand.
- TOTAL FROM TPA SERVICES: €866.36 THOUSAND.

CLARIFICATION OF SECTION F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS. Out of the 58 Recommendations, Enagás, S.A. complies with 48 and partially complies with four. It has provided explanations for three Recommendations and a further three are not applicable to Enagás, S.A. CLARIFICATION OF SECTION G2. BINDING DEFINITION OF INDEPENDENT DIRECTOR: The Appointments and Remuneration Committee and the Board of Directors have studied the SITUATIONS concerning three Independent Directors and have ruled that these DO NOT AFFECT THEIR INDEPENDENCE. (See Section G.2).

You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code.

YES

Name of director

JESÚS DAVID ÁLVAREZ MEZQUÍRIZ

Type of relationship

Contractual

Reason

Even though Mr. Álvarez is the CEO of Eulen, S.A., an entity which maintained a commercial relationship with Enagás, S.A. in 2009, the Appointments and Remuneration Committee and the Board of Directors believe that the abstention of this director in the negotiation and decision-making process of both parties; the rigorous procedures usually followed for contracting works and services, which were not excluded on this occasion and the express intervention of the Committee and the Board, given the related-party nature of this relationship, means that there are not sufficient or important enough reasons why this director may not remain Independent.

Name of director

MIGUEL ÁNGEL LASHERAS MERINO

Type of relationship

Contractual

Reason

Even though he is Chairman of Intermoney Energía, S.A., an entity which maintained an advisory relationship with the Company in 2009, the Appointments and Remuneration Committee and the Board of Directors believe that the amount of fees received by Intermoney for the specialist advice provided is neither significant nor important. Therefore he shall continue to be considered Independent. In addition, the express intervention of the Committee and the Board must be noted, given the related-party nature of this relationship

Name of director

MARTÍ PARELLADA SABATA

Type of relationship

Commercial

Reason

Even though he provided services to the Caja de Ahorros de Valencia, Castellón y Alicante Group (Grupo BANCAJA) in 2006 and 2007, the Appointments and Remuneration Committee and the Board have noted that in 2008 and 2009 he did not provide any services of this kind and that the amount received in the prior years was not significant due to the business volume of the parties involved. It must also be noted that the services were not provided to Enagás, S.A. but to the Group of one of its shareholders which has limited voting rights in the Company as stipulated in the 20th Additional Provision of the Hydrocarbons Industry Act . It is therefore agreed that this director should be considered Independent.

Date and signature:

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

01/02/2010

List whether any directors voted against or abstained from voting on the approval of this report.

NO