



## Fiscal policy

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Fiscal responsibility represents one of the cornerstones of Enagás' commitment to sustainability, spearheaded by its Board of Directors. The company addresses its fiscal obligations in accordance with the letter and the spirit of the regulations of the different jurisdictions where it operates and those that it has voluntarily adopted. Enagás adopts a focus of fiscal responsibility based on prudence and aligned with the recommendations set out in the OECD Guidelines for Multinational Companies.

This policy establishes the strategy and principles that must guide the conduct of all employees, executives and directors of Enagás, as well as third parties with whom the company has relationships.

### **Commitments**

Enagás establishes the following commitments in relation to fiscal matters:

- Comply with taxation regulations in force at any given time, both by Enagás as well as by the companies that it controls, paying the applicable taxes and avoiding inefficiencies in issues of fiscal costs.
- Adopt decisions and actions in tax matters in all circumstances based on a reasonable interpretation of the applicable regulations.
- Collaborate with the tax authorities in the following issues:
  - Provide information and documentation with tax implications relative to Enagás and to the affiliates it controls, as part of its verification duties.
  - The detection of fraudulent tax practices in the markets in which Enagás operates.

- Maintain and strengthen a relationship with the Tax Authorities that is presided over by collaboration, trust, good faith, reciprocity and professionalism, without prejudice to any legitimate controversies that, in defence of its interests and those of its shareholders, could occur with regard to interpretation of the rules.
- Gradually introduce improvements in fiscal management that allow the company to adhere to the schemes and mechanisms of a cooperative relationship established by the Tax Authorities.
- Not to use, in order to reduce the tax burden, structures of an opaque nature or in which taxation is not appropriate to the location of material and human resources and to the place where the activities are performed by the intervening enterprises, and likewise not to perform artificial operations not linked to the business activity.
- Not make any investments in or through territories qualified as tax havens according to prevailing Spanish tax regulations, for the purpose of reducing the tax burden. These investments or acquisitions of enterprises in tax havens will only be carried out for the development of the group's business activity in those countries.
- Assess significant related-party transactions using criteria approved by the Board of Directors based on economic analyses or valuations performed by independent experts. Furthermore, not to use prices in transactions between related companies as a mechanism to erode tax bases.
- Include the following information in the company's public reporting:
  - Fiscal policy.
  - Taxes paid in different jurisdictions where it operates through controlled companies.
  - Relevant litigation and open tax inspections.
  - Mechanisms or procedures established to comply with prevailing legislation on money laundering.
- Update this policy on a regular basis to ensure it includes international best practices and recommendations.

### **Management Model**

Enagás has established a fiscal responsibility management model based on the due-control principle, focused on adherence to the commitments set out in this policy, which may be summarised as follows:

- The responsibility of the Board of Directors with regard to the preparation and approval of this policy.

- The information to the Board of the policy follow-up as well as the fiscal consequences of the most relevant operations.
- Reflection of the company's commitments in its regulations, constituted by the Enagás Group Code of Ethics, and the policies, processes and controls for their effective implementation.
- Compliance with applicable internal and external regulations both by the company's staff and, where applicable, by third parties that have dealings with the company.
- Training and information to ensure that company employees are aware of and understand the mandatory obligations of the fiscal policy and the action principles in taxation matters of Enagás.
- The existence of safeguard mechanisms such as the Ethical Compliance Committee, which reports to the Board's Audit and Compliance Committee and, among other tasks, is responsible for ensuring that the company's commitments set out in its Code of Ethics and policies are known, understood and adhered to.
- Establishment of a procedure for managing notifications and consultations concerning irregularities or instances of non-compliance with the Code of Ethics and the regulations and policies that inspire or implement it, in relation to which the responsibilities and performance are described in the Enagás Group's Code of Ethics.
- The model of risk management of criminal responsibility, as a structured and organic system of prevention and control aimed at reducing the risk of perpetrating criminal offences.
- Internal control over the financial reporting system as a mechanism for the prevention and control of internal fraud in financial reporting provided to third parties.

**This policy was approved by the Enagás Board of Directors, on  
22/05/2017**