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ANNUAL GENERAL MEETING

17 MARCH 2020

REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF NATURGY ENERGY GROUP, S.A. FOR THE PURPOSES OF ARTICLE 529 DECIES OF THE SPANISH CORPORATE ENTERPRISES ACT REGARDING THE NOMINATION OF PROPRIETARY DIRECTORS.

1.- Background

On 22 July 2019, Mr. Javier de Jaime Guijarro, in the name of and representing the company Rioja Bidco Shareholdings, S.L. notified the Company of his intention to replace Rioja Bidco with the entity Rioja S.à r.l. as member of the Board and Appointments and Remuneration Committee of the Company. It is expected that the Board of Directors of Naturgy Energy Group S.A. (hereinafter "Naturgy"), in their meeting of 1 August 2019, shall decide on said proposal and, as the case may be, shall proceed with the co-opted nomination of Rioja S.à r.l. as Director of the Board of Naturgy Energy Group, S.A., where they shall hold the category of Proprietary Director.

In this case, the Board shall foreseeably submit for approval by the Annual General Meeting the ratification of Rioja S.à r.l. (Proprietary Director), who has been appointed Director pursuant to the co-option system as mentioned



previously.

In anticipation of these circumstances, and for efficiency reasons, the Appointments and Remuneration Committee issues this report on both proposals (i) co-opted nomination and (ii) ratification and appointment by the Annual General Meeting, in accordance with that set forth in Article 529 decies of the Spanish Corporate Enterprises Act.

2. Analysis of the profile of the proposed Director

Rioja S.à r.l., a Luxembourgian company with address at Avenue Monterey, N^o. 20, L-2163 Luxembourg, in the process of being registered in the Companies Register of Madrid and Chamber of Commerce in Luxembourg, represented by MR. JAVIER DE JAIME GUIJARRO to act on their behalf.

The Committee note that the shareholder RIOJA BIDCO SHAREHOLDINGS, S.L.U, in the exercise of their proportional representation right, has the right to propose the nomination of two (2) representatives on the Board of Directors of NATURGY ENERGY GROUP, S.A., in the case that the Annual General Meeting establishes twelve (12) as the number of Directors, in accordance with the proposal of the Board. Likewise, it is noted that said Shareholder has put into writing the election proposal contained herein.

In respect to the legal person proposed as Director, Rioja S.à r.l., it should be noted that the said company is currently in the process of being registered in the Companies Register of Madrid and the Chamber of Commerce in Luxembourg.



The Committee confirm that there is no evidence that Rioja S.à r.l., is affected by any of the cases of incompatibility or legal, statutory or regulatory ban nor are they in a situation of conflict of interest with Naturgy, and therefore report favourably on their election as Director, with the consideration of Proprietary Director.

In view of this, the Committee issue favourable report on the election of Rioja S.à r.l. as Director on the Board of Directors of NATURGY ENERGY GROUP, S.A., if the Board deem the resolution of the motion appropriate.

The Company shall be represented on the Board of Directors of NATURGY ENERGY GROUP, S.A. by Mr. Javier de Jaime Guijarro, whose curriculum vitae is the following:

Law degree from Pontificia de Comillas (ICADE) university in Spain and MBA from Houston University (USA).

He joined CVC in 1997. He is currently Managing Partner, supervising Private Equity activity in Spain and Italy and forms part of the Private Equity Board for Europe and North America of CVC Capital Partners. Prior to joining CVC, he worked in the British Company, 3i, for 7 years; two of them from the London Office, as Investment Controller and the remaining five as Regional Director of the Madrid office.

He is a member of the Board of Directors, as Proprietary Director, of Promotora de Informaciones, S.A. (PRISA) and is, also, Director, of Idcsalud Holding, S.L. and Helios Healthcare Spain, S.L., amongst other entities.



The Committee note the commercial and professional standing, the knowledge and experience of the proposed representative. Likewise, the Committee confirm that there is no evidence that the same is affected by any of the cases of incompatibility of legal, statutory or regulatory ban nor is he in a situation of conflict of interest with the Company for exercising his duties as Natural Person Representative of Rioja S.à.r.l. on the Board of Directors of NATURGY ENERGY GROUP, S.A.

In view of this, the Committee issue a report in favour of the election of MR. JAVIER DE JAIME GUIJARRO as Natural Person Representative of Rioja S.à.r.l. on the Board of Directors of NATURGY ENERGY GROUP, S.A., if the Board deem the resolution of the motion appropriate.

3. Conclusion

Therefore, the Committee reports favourably on the nomination of Rioja S.à r.l. as Member of the Board, with the consideration of Proprietary Director, as well as its subsequent ratification and appointment, as the case may be, by the Annual General Meeting.

Favourable report is also issued on the appointment of Mr. Javier de Jaime Guijarro as Natural Person Representative of Rioja S.à r.l.

Madrid, on 31 July 2019.

The Appointments and Remuneration Committee of NATURGY ENERGY GROUP, S.A.