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**NATURGY ENERGY GROUP, S.A.  
ORDINARY ANNUAL GENERAL MEETING OF SHAREHOLDERS  
26 MAY 2020**

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The reports herein have been drawn up in fulfilment of that laid down in Article 529 *decies* of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital* or “LSC”) in relation to the appointment and re-election of Directors.

Prior to issuing their respective reports/proposals, both the Appointments and Remuneration Committee and the Board of Directors have paid due regard to the competency, knowledge and experience required of Board Members.

**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 (LEY DE SOCIEDADES DE CAPITAL OR “LSC) REGARDING THE RE-ELECTION OF PROPRIETARY DIRECTORS.**

At a meeting held on 22 April 2020, the Appointments and Remuneration Committee learned of the intention of the Board of Directors to consider and, as the case may be, lay before the Annual General Meeting of Shareholders (hereinafter “Annual General Meeting” or “AGM”) (the re-election as Directors of:

- MR. MARCELINO ARMENTER VIDAL (Proprietary Director)
- MR. RAJARAM RAO (Proprietary Director)

The Appointments and Remuneration Committee (hereinafter “the Committee”) now issues this report in relation to the foregoing proposals.

a) MR. MARCELINO ARMENTER VIDAL has been a Board Member at NATURGY ENERGY GROUP, S.A since 21 September 2016 and is also currently a member of the Appointments and Remuneration Committee.

The Committee has taken into account his commercial and professional standing, knowledge and experience, deeming these sufficient for the purpose of exercising the duties of Board Member, and considers him fit and capable of carrying out the sound management of the Company, especially in view of his admirable abilities and track record.

The Committee holds a positive view of the professional conduct he has displayed when going about his duties as Director.

His executive profile and biography is as follows:

He holds a Bachelor's Degree in Business Administration and Management and a Master's Degree in Business Administration and Management from the ESADE Business School.

He began his professional career at Arthur Andersen, later joining Hidroeléctrica de Cataluña. In 1985 he began his career at "la Caixa" where, after holding various posts. From 1985 to 1988, he was Director of Audit and Internal Control at Grup Caixa. From 1988 to 1995, he managed the area of investees. From 1995 to 2001, he was Managing Director of Banco Herrero. From 2001 to 2007, he was Chief Executive Officer of Caixa Holding. From 2007 to 2011, he was Deputy Executive General Manager of "la Caixa". From 2011 to 2013, he was General Risk Manager of CaixaBank. From 2013 to March 2019, he was General Manager of Criteria Caixa, S.A.U.

Additionally, from June 2019 to April 2020 he was a Director of CaixaBank, S.A. and from January 2017 to October 2019 he was a Director of Grupo Financiero Inbursa, S.A.B. de C.V.

His professional profile and biography clearly demonstrate that he possesses the competency, experience and merits needed to serve as Director.

b) MR. RAJARAM RAO has been a Board Member at NATURGY ENERGY GROUP, S.A since 21 September 2016 and is also currently a member of the Appointments and Remuneration Committee.

The Committee has taken into account his commercial and professional standing, knowledge and experience, deeming these sufficient for the purpose of exercising the duties of Board member, and considers him fit and capable of carrying out the sound management of the Company, especially in view of his admirable abilities and track record.

The Committee holds a positive view of the professional conduct he has displayed when going about his duties as Director.

His executive profile and biography is as follows:

Qualified Electronic and Telecommunications Engineer. He also holds an MBA from the University of Delhi and a Master in Finance from the London Business School.

He worked in the Asia shares sales team at Kotak Securities (then a Goldman Sachs subsidiary) in Mumbai, India. He was a member of the project finance team at Barclays Capital in London and later Director of the Investment Banking Division of Credit Suisse in London before joining GIP in 2006. He ran GIP investments at Compañía Logística de Hidrocarburos SA, East Indian Petroleum Limited, Naturgy, Gode Wind 1 Investor Holding GmbH, Saeta Yield, SA / Bow Power, SL and Transitgas AG.

He joined GIP as a Director in 2006 and was appointed Partner in 2010. He is a member of its Investment and Operations Committees.

His professional profile and biography clearly demonstrate that he possesses the competency, experience and merits needed to serve as Director.

**REPORT BY THE BOARD OF DIRECTORS OF NATURGY ENERGY GROUP, S.A. FOR THE PURPOSES OF ARTICLE 529 DECIES OF THE SPANISH CORPORATE ENTERPRISES ACT (LEY DE SOCIEDADES DE CAPITAL OR "LSC) REGARDING THE RE-ELECTION OF PROPRIETARY DIRECTORS.**

The Board of Directors, at a meeting held on 22 April 2020, debated and issued favourable report on the content of the Report prepared by the Appointments and Remuneration Committee on 22 April 2020 in relation to the ratification, appointment and re-election as Directors of MR. MARCELINO ARMENTER VIDAL and MR. RAJARAM RAO with the contents of said report hereby deemed to be reproduced in full herein.

**Madrid, Spain, on 22 April 2020.**

**The Board of Directors of NATURGY ENERGY GROUP, S.A.**