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ANNUAL GENERAL MEETING

26 MAY 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

A.- In view of the resignation of Mr. Enrique Alcántara-García Irazoqui from his position on the Board of Directors, effective March 16, 2020, on that date the shareholder Criteria Caixa S.A.U notified the Company of his intention to replace Mr. Alcántara-García 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 16 March 2020, shall decide on said proposal and, as the case may be, shall proceed with the co-opted nomination of Mrs. Isabel Estapé Tous 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 Mrs. Estapé (Proprietary Director), who has been appointed Director pursuant to the co-option system as mentioned previously.

B.- In view of the resignation of Mr. Scott Stanley from his position on the Board of Directors, effective March 16, 2020, on that date the shareholder GIP III Canary 1 S.à r.l. notified the Company of his intention to replace Mr. Stanley 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 16 March 2020, shall decide on said proposal and, as the case may be, shall proceed with the co-opted nomination of Mrs. Lucy Chadwick 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 Mrs. Chadwick (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



A.- Mrs. Isabel Estapé Tous

The Committee note that the shareholder Criteria Caixa S.A.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.,. Likewise, it is noted that said Shareholder has put into writing the election proposal contained herein.

The Commission has examined the career development of the proposed candidate, whose curriculum vitae is the following:

Bachelor in Economic and Business Sciences with Outstanding Cum Laude from the University of Barcelona.

She has been a member of the Board of Directors of La Caixa Foundation since December 2013.

Currently she is notary, academic of numbers of the Royal Academy of Economic and Financial Sciences and Patroness of La Caixa.

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 she in a situation of conflict of interest with the Company for exercising her duties as Member of the Board 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 Mrs. Isabel



Etapé Tous as Member of the Board on the Board of Directors of NATURGY ENERGY GROUP, S.A., if the Board deem the resolution of the motion appropriate.

B.- Mrs. Lucy Chadwick

The Committee note that the shareholder GIP III Canary 1 S.à r.l., 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.. Likewise, it is noted that said Shareholder has put into writing the election proposal contained herein.

The Commission has examined the career development of the proposed candidate, whose curriculum vitae is the following:

Bachelor in Psychology from the University of Exeter.

She is part of the GIP senior management.

Previously, she was Managing Director of the International and Environment Area of the UK Department for Transport, where she developed her professional career for 12 years and held different positions of responsibility.

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 she in a situation of



conflict of interest with the Company for exercising her duties as Member of the Board 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 Mrs. Lucy Chadwick as Member of the Board on the Board of Directors of NATURGY ENERGY GROUP, S.A., if the Board deem the resolution of the motion appropriate.

3. Conclusión

Therefore, the Committee reports favourably on the nomination of Mrs. Isabel Estapé Tous and Mrs. Lucy Chadwick as Members of the Board, with the consideration of Proprietary Directors, as well as its subsequent ratification and appointment, as the case may be, by the Annual General Meeting.

Madrid, 16 March 2020.

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