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

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**REPORT DRAWN UP BY THE BOARD OF DIRECTORS OF NATURGY ENERGY GROUP, S.A. ON THE AMENDMENT TO THE REGULATIONS GOVERNING THE GENERAL MEETING OF SHAREHOLDERS.**

This report has been drawn up to justify the proposal to amend the Regulations governing the General Meeting of Shareholders (hereinafter “General Meeting”) that the Board of Directors is putting forward to the Annual General Meeting.

**JUSTIFICATION**

**1. Inclusion of a new article (“Article 13”)**

The Board of Directors are to lay before the shareholders for approval at the Annual General Meeting an amendment to Article 6.3 of the Articles of Association. This amendment will enable shareholders to attend the Annual General Meeting held by the Company either in person or via telematic means.

Likewise, with the same purpose, the Board of Directors shall also propose an amendment to the Regulations governing the General Meeting to incorporate certain procedural aspects relating to telematic attendance at General Meetings.

The proposed amendment involves including a new article in the Regulations, namely Article 13, which governs the basic aspects enabling shareholders to attend General Meetings via telematic means, although the Board of Directors will be required to establish, in the call of the meeting, the procedure in detail whereby shareholders may exercise their rights via this form of attendance.

The wording of the new Article 13 to be submitted to the Annual General Meeting for approval, will thereafter read as follows:

**“Article 13. TELEMATIC ATTENDANCE AT GENERAL MEETINGS**

*In accordance with the provisions of the Law and the Articles of Association of the Company, attendance at annual or extraordinary General Meetings may take place via telematic means when so agreed by the Board of Directors, which shall establish mechanisms to ensure that the subject is duly identified and is able to exercise his or her rights.*

*Telematic attendance by shareholders at General Meetings will be subject to the following rules, which may be developed or further specified by the Board of Directors on call of each meeting:*

- i) *The call shall describe in detail the procedure that shareholders must follow to register for telematic attendance at the General Meeting, as well as the relevant deadline before which they must register.*
- ii) *The Board of Directors shall determine, in the call of each meeting, how shareholders may exercise their rights to obtain information and vote while the General Meeting is in progress.*
- iii) *Requests for information or clarification made by shareholders or their proxies attending via telematic means shall be answered verbally during the General Meeting or in writing by the Chairman or Secretary of the Board of Directors within seven (7) days of the Meeting.*
- iv) *The Board of Directors shall establish, in the call of each meeting, the digital signature mechanisms or other form of identification that shareholders must use to prove their identity.*

*The Board of Directors may agree to hold the General Meeting exclusively via telematic means in accordance with applicable regulations, by providing justifiable reasons for why the General Meeting cannot be held in person. The Directors may attend the General Meeting by audio or video conferencing with the same deemed as being held at the Registered Office regardless of where the Chairman of the Board is located.*

*For all legal purposes, the telematic attendance of the shareholder will be tantamount to in-person attendance at the General Meeting.”*

## **2. Amendment to Article 8**

The COVID-19 health crisis has highlighted the importance, in general, of ensuring that measures are put in place to protect the health of all persons involved in organising and

staging a General Meeting. Therefore, the Board of Directors has seen fit to propose an amendment to Article 8 of the Regulations so as to vest a new power in the Chairman of the General Meeting, enabling him to implement the appropriate preventive health measures at any time to ensure that the meeting runs without incident.

Thus, the last paragraph of Article 8 will thereafter read as follows, with the new sections underlined:

*"When planning and staging the General Meeting, the Chairman shall have the functions and duties prescribed by law and those set out in the Articles of Association and shall, in general, exercise all powers needed to ensure that the meeting runs without incident, including the authority to interpret the provisions of these Regulations. More precisely, the Chairman is tasked with steering the meeting; accepting new motions in relation to items included on the Agenda; leading discussions and giving the floor to any shareholders that wish to speak, or refusing further discussion when he believes the matter has received sufficient attention or is not included on the Agenda; putting matters to the vote at the relevant time and using to such end the appropriate systems or procedures, as set out in the Regulations of the General Meeting; deciding to suspend or limit voting rights and, in particular, the voting rights attached to shares, in accordance with applicable law and these Articles of Association; approving the system for scrutinising and counting votes; announcing the outcome of votes; adjourning or proposing to extend the length of General Meeting of Shareholders, calling the meeting to a close; and, in general, exercising all powers, including authority to implement preventive health measures, order and discipline as and when needed to ensure that the meeting runs without incident."*

Madrid, 22 April 2020