



**REPORT BY THE AUDIT AND CONTROL
COMMITTEE OF THE BOARD OF
DIRECTORS OF NATURGY ENERGY
GROUP, S.A. ON RELATED-PARTY
TRANSACTIONS FOR FINANCIAL YEAR
2022.**



I. LEGAL FRAMEWORK

The Audit and Control Committee, under Article 529 14, (point 4, letter g) of the of the Corporate Enterprises Act. (Ley de Sociedades de Capital) has the function of, amongst others:

“g) Report on related-party transactions to be approved by the general meeting or the board of directors and supervise the internal procedure established by the company for those whose approval has been delegated.”

Likewise, the second paragraph of Article 8.2 of the Articles of Association of NATURGY ENERGY GROUP, S.A., in regard to the Audit and Control Committee, stipulates that:

“The aforementioned Committee shall have, inter alia, the powers and functions provided for under applicable legislation as well as the general or specific powers and functions delegated thereto by the Board of Directors.”

Furthermore, Article 26, point 2 of the Board of Directors Regulations of NATURGY ENERGY GROUP, S.A. stipulates in regard to the Audit and Control Committee that:

“2.- The Committee shall have, inter alia, the powers and functions provided for under applicable legislation as well as the general or specific powers and functions delegated thereto by the Board of Directors.”

The Board of Directors of Naturgy at its meeting held on 21 December 2021 adopted various resolutions supplementary to the LSC on related-party transactions, specifically agreed to:

1.- To delegate to the Chairman the power to approve the following related-party transactions:

a) transactions between Naturgy Energy Group S.A. and the companies forming part of its group that are carried out within the scope of ordinary management and under market conditions.

b) transactions entered into by virtue of contracts whose standardised conditions are applied en masse to a large number of customers, are carried out at prices or rates established in general by the party acting as supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the net turnover of the company.



2.- Approve an internal reporting and periodic control procedure to be applied in the event of approval by the chairman of related-party transactions, in exercise of his delegated powers.

3.- Modify the powers of the Audit and Compliance Committee, attributing to it the following:

"To report on related-party transactions to be approved by the general meeting or the board of directors and to supervise the internal procedure established by the company for those whose approval has been delegated".

II. **RELATED-PARTY TRANSACTIONS AUTHORISED IN 2022**

The purpose of the consideration by the competent Committee of the transactions to be carried out with related parties is to inform the Board of Directors that the transaction(s) in question are to be carried out in prevailing market conditions and in line with other similar transactions.

The Capital Companies Act refers to related-party transactions and conflicts of interest that may affect directors, providing for their duty to report situations of conflict of interest and to abstain, in the established cases, from participating in deliberations and voting related thereto.

Likewise, it was noted that related-party transactions have been reflected in the Consolidated Annual Accounts of the Company as well as the Annual Corporate Governance Report, in which information has been included pursuant to the criteria and level of breakdown in accordance with applicable law, with the exception of:

- The transactions between the Company and the companies of the Group forming part of the ordinary course of business and traffic between the companies or entities in terms of its purpose and conditions.

- Those forming part of the ordinary course of business and traffic of the Company have been carried out in prevailing market conditions and that have been of very little importance, and that are understood to be transactions whose information is not required for accurately reflecting the Company's net worth, financial position and results.



a) Transactions approved by the Board of Directors, following a report by the Committee

In February 2022, the approval of a related-party transaction between Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona and Gas Natural Comercializadora for the contracting of various electricity supplies was submitted to this Committee for a prior report.

The Commission analysed the explanatory documentation of the aforementioned related-party transaction and carried out the following verifications before issuing a favourable report on the contracting of said transaction

- i) That the Board of Directors was competent to authorise this related-party transaction, given that the value of the contract was not equal to or greater than 10 % of the total assets according to the last annual balance sheet approved by the company.
- ii) That the terms and conditions of the offer are in line with the signals of offers to customers in a similar segment.

The Audit and Control Committee considered the above-mentioned transaction to be a fair and reasonable transaction from the point of view of the company and, if applicable, of the shareholders other than the related party, and reported favourably to the Board of Directors for approval of the related-party transaction.

b) Transactions approved by the Executive Chairman without a prior report from the Committee

The Board of Directors of Naturgy at its meeting held on 21 December 2021 agreed to delegate to the Executive Chairman or another director performing similar executive functions the power to approve the related-party transactions referred to in article 529. 4 duovicies, specifically:

- a) transactions between Naturgy Energy Group S.A. and the companies forming part of its group that are carried out within the scope of ordinary management and under market conditions;
- b) transactions entered into under contracts whose standardised conditions are applied en masse to a large number of customers, are carried out at prices or



rates established in general by the party acting as supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the net turnover of the company.

On 27 June 2022, authorization was requested from the Executive Chairman to enter into a related-party transaction between Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona and Gas Natural Comercializadora for the contracting of various gas supplies between 1 July 2022 and 30 September 2025.

This is a contract whose standardized conditions apply to a large number of customers and whose amount does not exceed 0.5% of the company's turnover.

Prior to the issuance of this report, the Audit and Compliance Committee prepared an annual report detailing all transactions authorized in the period, including justification of the reasonableness of such transactions from the company's point of view, verifying the fairness and transparency of such transactions and, where applicable, compliance with the criteria applicable to the exceptions provided for in art. 529.4 duovicies LSC.

III. OTHER MATERIALIZED TRANSACTIONS IN 2022

During the 2022 financial year, the following transactions have also materialized between the Company or entities of its Group and related parties, which are significant due to their amount or material due to the subject matter thereof¹:

¹ Includes operations entered into in previous years with a duration of more than one year.



Name or company name of the shareholder or any of its subsidiary companies	% Shareholding	Name or company name of the company or dependent entity	Nature of the relationship	Type of operation and other information necessary for the assessment of the operation	Imports (miles of euros)
CRITERIA CAIXA S.A.U	26.7	Naturgy Energy Group, S.A.	Comercial	Sale of goods	2.944
CVC Capital Partners Sicav-Fis S.A.	20.7	Naturgy Energy Group, S.A.	Comercial	Sale of goods	2.076
Global Infrastructure Fund	13,9	Naturgy Energy Group, S.A.	Comercial	Sale of goods	97

Madrid, Spain, on 6 February 2023.

The Audit and Control Committee of NATURGY ENERGY GROUP, S.A.