

ANNUAL GENERAL SHAREHOLDERS MEETING

9 MARCH 2021

REPORT PREPARED BY THE APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE OF NATURGY ENERGY GROUP, S.A. IN RELATION TO THE PROPOSED REMUNERATION POLICY..

The Appointments Remuneration and Corporate Governance Committee of NATURGY ENERGY GROUP, S.A. shares the points made in the report drawn up by the Board of Directors, in accordance with the obligation established in article 529 novodecies.2 of the Capital Companies Act, which is included in the proposed resolution of the General Shareholders' Meeting of the Company. In particular, it should be noted that

- (i) With regard to the remuneration of directors in their capacity as such, the new policy proposed for approval introduces slight modifications to the remuneration component of directors in their capacity as such and, more specifically, to the remuneration they receive for their membership of committees in such a way that, without losing the objective that such remuneration be linked to the dedication factor of the directors, it is separated from the number of meetings of each committee they attend, empowering the Board of Directors to establish quantitative limits on the remuneration that directors may receive in this respect..

This amendment is consistent with the functioning of the Board of Directors of the Company, whose activity, as reflected in the Annual Corporate Governance Report, is very intense, with a particularly high number of meetings per year and with a very high attendance of all directors, which



would give rise to a significant increase in remuneration..

This committee considers that the proposal made by the Board of Directors is fully respectful of the principle of determining sufficient remuneration to compensate for the dedication of the directors in the performance of their duties, which inspires the Remuneration Policy itself.

- (ii) The proposed Policy formulated by the Board of Directors also entails an addition to the current Policy regarding the remuneration of Directors for the performance of executive and delegated functions, as regards multi-year variable remuneration.

The implementation of this amendment is considered very positive as it allows maintaining at all times a long-term horizon for this remuneration component, beyond the term of the Remuneration Policy itself and the long-term incentive programme in force during said period.

Madrid, 1 February 2021.

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