

Annual Activity Report
Remuneration Committee

20/02/2023

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Composition, attendance
and operation

1 Composition, attendance and operation

On December 31, 2022, the composition of the Remuneration Committee was as follows:



CHAIRWOMAN

Ms Mª Teresa Arcos Sánchez

Independent

Appointment: 2022



MEMBER

Ms Clara Belén García Fernández-Muro

Independent

Appointment: 2022



MEMBER

Mr Manuel Gabriel González Ramos

Independent

Appointment: 2022



SECRETARY

Mr Rafael Piqueras Bautista

On April 25, 2022, the Board of Directors approved the following composition of the Remuneration Committee:

- Ms María Teresa Arcos Sánchez, in her capacity as Chairwoman.
- Ms Clara Belén García Fernández-Muro as Independent Director.
- And Mr Manuel Gabriel González Ramos, as Independent Director.

The members of the Remuneration Committee were appointed on the basis of their knowledge, skills and experience in designing remuneration policies and plans.

The composition of the Committee is therefore in accordance with the best practices of Good Corporate Governance.

All information on the Directors, including their work experience, can be found on the [Enagás corporate website](#) .

ATTENDANCE

In accordance with the provisions of the Regulations of the Remuneration Committee and its Agenda of actions, the Committee met eleven times in 2022: seven meetings as the Sustainability and Remuneration Committee and four as the Remuneration Committee.

These meetings were attended by all members of the Committee.

COMMITTEE OPERATION

The Committee conducted its activity in 2022 in accordance with the best practices of Corporate Governance and the standard procedures set out in the Draft Technical Guidelines on Appointments and Remuneration Committees.

The meetings were convened by the Committee Chairwoman, with the collaboration of internal and external advisers, and the appearance of a number of Company senior managers who addressed subjects under their competency, in accordance with the agenda.

Specifically, it was attended by the People and Transformation General Manager, as well as other members of the Executive Committee.

The documentation relating to each meeting, such as the agenda and the minutes from the previous meeting, were given to Committee members sufficiently in advance.

Ordinarily, after each Remuneration Committee meeting, the Chairwoman of the Committee reported to the Board of Directors in a meeting held the same day, with regard to the actions taken and matters addressed.

2 Regulations governing the Remuneration Committee

The Remuneration Committee is governed by the provisions of applicable laws and regulations, the provisions of the Articles of Association, the Rules and Regulations for the Organisation and Functioning of the Board of Directors of Enagás, S.A., as well as its own Regulations, dated December 19, 2022.

These documents are available on the Enagás corporate website in the [Board of Directors section](#) and specifically in the [section referring to the Committee](#).

The main duties entrusted to the Committee during 2022 are listed under the following basic categories:

2.1. POWERS RELATING TO THE REMUNERATION OF DIRECTORS AND SENIOR MANAGERS

- i. Propose to the Board of Directors the remuneration policy for its members and Senior Management, verifying that it is observed. For this purpose, the Committee shall periodically review the remuneration policy and ensure that their individual remuneration is proportionate to that of other members of the Board and Senior Management of the Company.
- ii. To propose to the Board of Directors the individual remuneration and other contractual conditions of the Executive Director, verifying that they are consistent with the remuneration policies in force.
- iii. To report to the Board of Directors, in advance, on the individual determination of the remuneration of each Director in their capacity as such within the statutory framework and the remuneration policy, as well as for the performance of the executive functions attributed to them in the remuneration policy and in accordance with the provisions of their contract.
- iv. To propose to the Board of Directors the basic conditions for the Senior Management contracts, verifying that they are consistent with the remuneration policies in force.
- v. To verify information on remuneration of Board members and Senior Management contained in the various corporate documents, including the Annual Report on Directors' Remuneration.

2.2. OTHER POWERS

- i.** To submit to the Board the initiatives and proposals on remuneration it deems appropriate and provide information on proposals submitted to the Board and information the Company releases to shareholders annually regarding this issue.
- ii.** Ensure that the information disseminated by the Company via its website on matters within its remit is sufficient and appropriate and complies with the recommendations on good corporate governance adopted by the Company.
- iii.** To prepare an Annual Report on the Remuneration Committee's activities, which will be published on the Company's website sufficiently in advance of the Ordinary General Meeting.
- iv.** To ensure that any conflicts of interest do not impair the independence of external advisors to the Committee in the exercise of their duties.
- v.** In performing and exercising its duties the Remuneration Committee shall take into account the principles and criteria established in the Technical Guide 1/2019 on Appointments and Remuneration Committees of the National Securities Market Commission of February 20, 2019, without prejudice to them being adapted to the particular circumstances and characteristics of the Company and its Group.
- vi.** The Committee shall establish an annual work plan covering the main activities of the Committee during the year in relation to the performance of its duties.

3 Activities of the Remuneration Committee in 2022

During 2022, the Remuneration Committee conducted its activities in accordance with the recommendations of Guide 1/2019 on Appointments and Remuneration Committees, and the best practices of the Good Governance Code of listed companies, dated June 2020.

The most relevant activities conducted by the Remuneration Committee in 2022 are summarised below.

ACTIVITIES OF THE COMMITTEE IN RELATION TO CHANGES IN THE EXECUTIVE COMMITTEE

On June 20, the Committee submitted to the Board the proposal for the remuneration of the new members who joined the Executive Committee in relation to the organisational changes and new appointments previously reported by the Sustainability and Appointments Committee and to the Audit Committee in relation to its powers. This

proposal was approved by the Board on June 20, 2022.

Likewise, a favourable report was issued on the proposed severance payments for the members of the Management Committee who leave the Company, as well as their corresponding salary payments up to that time.

ACTIVITIES REGARDING THE REMUNERATION FOR DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

On February 21, 2022, the Board of Directors resolved to submit to the General Shareholders' Meeting for approval the proposal to amend the Directors' Remuneration Policy for the years 2022, 2023 and 2024, which was accompanied by the Report on the proposal issued by the Sustainability, Appointments and Remuneration Committee on February 21, 2022.

This amendment resulted from the completion of the Chairman's executive duties, the appointment of a new Chief Executive Officer, the inclusion of a new target for long-term variable remuneration and the modification of the maximum annual limits for the remuneration of Board members in their capacity as such.

On the same date, it was agreed to submit for the approval of the General Shareholders' Meeting the 2022-2024 Long-Term Incentive Plan (ILP), which includes the delivery of shares, applicable to the Executive Director, the members of the Executive Committee and management personnel of the Company and its group of companies.

The documents were made available to shareholders on the Company's website from the date of the call of the General Meeting, and finally approved by the General Meeting on March 31, 2022.

For the preparation of these amendments, the Committee was supported by an independent advisor, ensuring its alignment with market and corporate governance trends.

On January 20, 2022, the Committee carried out an assessment of the degree of achievement of the Company's targets set for 2021, for the purpose of determining the annual variable remuneration of the executive Directors and members of the Management Committee. Based on the level of achievement, the Committee approved the 2021 annual variable remuneration for the members of the Management Committee and submitted its proposed 2021 annual variable remuneration for the Executive Directors to the Board, which was approved at that session.

The Committee also carried out an assessment of the degree of achievement of the objectives of the 2019-2021 ILP for the purpose of determining the long-term variable remuneration for executive directors and members of the Management Committee.

Based on the degree of compliance achieved, the Committee approved the long-term variable remuneration corresponding to the 2019-2021 ILP

for the members of the Management Committee and submitted its proposal for the long-term variable remuneration of the executive directors to the Board. It was approved at its meeting of February 14, 2022.

At the same meeting, the objectives of the 2022-2024 long-term incentive plan, concerning the Executive Director and members of the management team were approved, as well as its proposed implementation.

With respect to the Company's annual targets for 2022, the Committee, in its preparatory meeting on February 1, 2022, conducted an assessment of the Company's proposed targets for purposes of determining variable remuneration for the 2022 year. The Committee finally received approval at the meeting of February 11, 2022 for subsequent approval by the Board.

On October 24, 2022, the Committee was informed of the progress and degree of compliance with the long-term incentive plan for the 2022-2024 period. At the same meeting, the proposed modification of certain targets associated with long-term variable remuneration was assessed in order to align them with the strategic priorities defined in the new

Strategic Plan, published in July 2022. Following approval by the Committee, this proposal was approved by the Board on October 24, 2022.

Additionally, in the meeting of December 19, 2022, in accordance with the provisions of the Supervision Report on the application of the measures of functional separation of activities provided for in Law 34/1998, of October 7, of the Hydrocarbons Sector to Enagás GTS, S.A.U., issued by the National Commission on Markets and Competition on September 29, 2022, it was agreed to submit to the Board a specific plan for the members of the management team of Enagás GTS, S.A.U., in order to give compliance with the requirements and recommendations made by the supervisor, always within the limits of the agreement reached by the Enagás General Shareholders' Meeting. This proposal of objectives for the Enagás GTS, S.A.U. 2022-2024 ILP was approved at the December 2022 Board Meeting, together with the Regulations of both long-term incentive plans 2022-2024 (Enagás, S.A. and Enagás GTS, S.A.U.).

On February 11, 2022, the Committee reported favourably on the Annual Remuneration Report for the financial year 2021, and it was approved by the General Shareholders' Meeting on March 31, 2022.

The salary review of the Executive Committee members was discussed during meetings of January 12 and 27, February 1 and 11, as well as on December 19, 2022. The revision was approved at this last meeting and put forward for approval by the Board on the same day. For the preparation of this policy, the Committee was supported by an independent advisor, ensuring its alignment with market and corporate governance trends.

OTHER ACTIVITIES

Finally, on December 19, 2022, the Board of Directors approved the update of the Regulations governing the activity of the Remuneration Committee, in order to adapt the same to the amendments of Article 529 of the Corporate Enterprises Act, as amended by Law 5/2021, regarding the process of setting and approving the remuneration of board members.

On February 11, 2022, the Committee approved the Annual Activity Report of the Committee for 2021, and reported to the Board on the same date. This report was made available to shareholders at the ordinary General Meeting.

4 Progress made in 2022 and priorities for 2023

The Committee has improved its performance in the financial year 2022 in line with best practices and has addressed the improvements identified in the performance assessment for the financial year 2021.

In 2022, the Committee held briefings and training sessions on the following subjects:

- Welcome training session for incoming Board members, to give them a briefing on Enagás' remuneration model.

During 2023, we will continue to work in a transversal and coordinated manner with the company's different divisions, with the objective of maintaining our leadership position in remuneration matters.

5 Conclusions

As reflected in this report, during the course of the financial year 2022, the Remuneration Committee addressed the analysis and assessment of the main issues and aspects within its remit, in accordance with the best practices of Corporate Governance and the recommendations of both the Good Governance Code of Listed Companies, revised in June 2020, and the Technical Guide 1/2019 on

Appointments and Remuneration Committees of the National Securities Market Commission, dated February 20, 2019, reporting on the most relevant issues to the Board of Directors of the Company.

This report was drawn up by the Remuneration Committee on February 20, 2023 and approved by the Board of Directors on the same day.

The Secretary to the Board
of Directors of Enagás S.A.
Rafael Piqueras Bautista

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