

**RULES AND REGULATIONS OF THE  
ORGANISATION AND FUNCTIONING OF THE  
BOARD OF DIRECTORS OF  
ENAGÁS, S.A.**



**18 February 2013**

**CHAPTER ONE**  
**GENERAL PROVISIONS**

**ARTICLE 1.- PURPOSE AND SCOPE OF THE RULES AND REGULATIONS**

- 1.- The purpose of these Rules and Regulations is to regulate the Board of Directors of Enagás, S.A., establishing the principles of its organisation and functioning and the rules that govern the role ascribed to it under the law and the Articles of Association. The Board of Directors shall take all steps required to make the provisions of these Rules and Regulations known to shareholders and to the investing public.
- 2.- The Directors and, insofar as it may concern them, the Company's senior executives, are under a duty to be aware of the provisions of these Rules and Regulations and to comply with and enforce those provisions.

**ARTICLE 2.- INTERPRETATION AND AMENDMENT**

- 1.- These Rules and Regulations supplement the rules applicable to the Board of Directors under current commercial law and under the Articles of Association. It falls to the Board of Directors to resolve any doubt regarding application of these Rules and Regulations, following the general principles of construction of legal rules and the spirit and purpose of the Articles of Association.
- 2.- These Rules and Regulations shall become effective on the day of their adoption. The Board of Directors is hereby given authority to amend these Rules and Regulations subject to the requirements set out in the following section so as to keep them aligned with the interests of the Company at the given time.

The adoption and any amendment of these Rules and Regulations shall be notified to the CNMV, the Spanish securities market regulator, enclosing a copy of the text. Once this notice has been issued, the Rules and Regulations shall be filed with the *Registro Mercantil*, the Spanish registrar of companies, in accordance with the general law.

- 3.- The Chairman of the Board of Directors, the Audit and Compliance Committee or a number equal to or greater than 25% of the total number of Directors may propose such amendments to the Board whenever expedient or necessary in the view of the proponent(s), in which event such request must have attached a memorial stating the

rationale and scope of the proposed change. The Board of Directors shall then be convened by a notice sent to each Director individually, by any channel. To be valid, a resolution to amend these Rules and Regulations must be carried by the number of votes in favour stipulated in the Articles of Association.

## **CHAPTER TWO**

### **COMPOSITION, PURPOSES, DUTIES AND RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**

#### **ARTICLE 3.- QUANTITATIVE AND QUALITATIVE COMPOSITION**

- 1.- Within the minimum and maximum limits set forth under article 35 of the Company's current Articles of Association, and without prejudice to the powers of proposal enjoyed by shareholders, the Board of Directors shall submit to the General Meeting such Board membership size as it deems appropriate in the interests of the Company at the given time. The General Meeting shall decide on the final number.
- 2.- The Board of Directors shall be composed of Directors classified into the categories specified below:
  - a) Internal or Executive Directors: these Directors perform senior management functions or are employed by the Company or its Group. If a Director performs senior management functions and, at the same time, is or represents a significant shareholder or one that is represented on the Board of Directors, he/she shall be considered Internal or Executive for purposes of these Rules and Regulations.

No more than 20% of the total number of Directors may belong to this category.

- b) External or Non-Executive Directors: these Directors shall in turn fall into three categories:
  - b1) Proprietary Directors: those Directors holding an interest equal to or greater than that which qualifies as significant under the law or have been appointed on account of their status as shareholders even if their interest is less than that amount, and Directors representing such shareholders.
  - b2) Independent Directors: those Directors of acknowledged professional reputation able to contribute their experience and expertise to corporate governance and, while not

falling within either of the two preceding categories, satisfy the conditions set forth under article 9 of these Rules and Regulations. The number of Independent Directors shall represent at least one third of the total number of Directors.

- b3) Other Non-Executive Directors: non-Executive Directors who, though not proprietary Directors, cannot be classified as Independent Directors pursuant to article 9 of these Rules and Regulations.

In exercising its powers of co-option and proposal to the General Meeting to fill vacancies, the Board of Directors shall endeavour to ensure that, within the composition of the body, Independent Directors represent a broad majority over Executive Directors, and that among Non-Executive Directors the ratio of Proprietary to Independent Directors reflects the existing ratio of share capital represented by Proprietary Directors to all other capital.

The following cannot be Directors or, if applicable, natural person representatives of a legal person Director:

- a) Natural or legal persons who hold the post of director in more than 5 (five) companies whose shares are admitted to trading on national or foreign markets.
- b) Natural or legal persons whose circumstances render them incompatible or prohibited from serving on the board under any of the general provisions in law, including those persons who in any manner have interests that run contrary to those of the Company or its Group.
- c) Directorships may not be exercised by natural persons or bodies-corporate that exercise control or rights in a company carrying out functions of production or sale of natural gas, or by any other natural persons or bodies-corporate the presence of whom or which on the Board, pursuant to the legislation applicable to the hydrocarbons sector, may affect the Company's status as technical transmission operator.

#### **ARTICLE 4.- PURPOSES OF THE BOARD OF DIRECTORS**

The Board of Directors, in the performance of the duties entrusted to it by the law, the Articles of Association and these Rules and Regulations, must address itself to the following aims:

- To achieve effective management of the Company and its investees.

- To assure the Company's future viability and competitiveness and the availability of fit managers and leaders, the running of the Company's business concern being expressly under the oversight of the Board.
- To perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment and acting in the Company's best interest, defined as maximising the economic value of the business consistently over time.
- To frame rules of procedure that lend transparency to the Board's performance of its duties, and for that purpose to put in place all such mechanisms of supervision as may be required to ensure that Directors' decisions are scrutinised in the light of the Company's interests.
- To see to it that the interests of minority shareholders are upheld.
- To ensure that the Company abides by laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles to which it has voluntarily subscribed.

## **ARTICLE 5. DUTIES OF THE BOARD OF DIRECTORS**

It falls to the Board of Directors to perform all acts of management, representation and supervision that may be required or expedient for the attainment of the objects stipulated in the Memorandum and Articles of Association, within the framework of the law, the Articles of Association and of these Rules and Regulations.

Specifically, in addition to the duties entrusted to it by law, the Board of Directors is vested in the following powers and subject to the following duties:

### **A) Powers and duties relating to the organisation and functioning of the Board and of the Company:**

1.- To act as the organ representing the Company on the terms prescribed by law and stipulated by the Memorandum and Articles of Association.

- 2.- To fill Board vacancies by co-option until the first subsequent General Meeting.
- 3.- To accept Directors' resignations.
- 4.- To appoint and remove the Chairman, Coordinating Independent Director, Managing Director, Secretary and Deputy Secretary of the Board.
- 5.- To delegate powers and duties to any Director(s) and revoke such delegation in conformity with the law and the Articles of Association.
- 6.- To appoint and remove the Directors who are to sit on the various Committees provided for in these Rules and Regulations, and the chairmen of such Committees.
- 7.- To lay before the General Meeting the proposed remuneration of Directors in respect of their Directorships and their Board Committee memberships. To approve the additional remuneration due to Executive Directors in consideration of their executive functions and the rest of terms to which regard must be had under their contracts.
- 8.- To regulate its own organisation and functioning and, in particular, to adopt the Rules and Regulations of the Board and the Rules and Regulations of Board Committees, and adapt and amend such provisions when required.
- 9.- To draft and adopt the Internal Code of Conduct.
- 10.- To consider and, if thought fit, approve transactions involving conflicts of interest and related party transactions, subject to the Internal Code of Conduct and to article 14a of these Rules and Regulations.
- 11.- To lay down, on the proposal of the Appointments, Remuneration and Corporate Responsibility Committee, the general policy regarding the guidelines relating to the nomination, selection, promotion and dismissal of senior managers, and the criteria governing remuneration policy, in order to ensure that the Company has highly qualified staff fit for administering its business at all times.
- 12.- To decide, at the proposal of the Company's chief executive, upon the appointment and dismissal of senior executives and their indemnification clauses.
- 13.- To frame corporate governance policy and corporate social responsibility policy.
- 14.- To evaluate, in plenary session, the following on a yearly basis:

- a) The quality and efficiency of the Board's operation;
- b) The performance of the Chairman of the Board and the chief executive of the Company on the basis of the report to be submitted to it by the Appointments, Remuneration and Corporate Responsibility Committee.
- c) The performance of its committees on the basis of the reports furnished by the same.

**B) Powers and duties relating to the management of the Company:**

1.- To exercise the powers and discharge the duties entrusted to the Board by the General Meeting, which powers and duties the Board may delegate only if the relevant resolution of the General Meeting thus expressly permits.

2.- To set the Company's economic targets and, at the proposal of senior executives, adopt the strategies, plans and policies directed to the attainment of those aims, the performance of such activities being subject to the Board's oversight.

In particular, it falls to the Board of Directors to adopt the Company's strategic plan and annual budget, its investment and financing policy, and the structural design of the Company Group.

3.- To form new companies and approve the acquisition of interests in existing companies which are intended to be held over the long term or the activities of which are unrelated to the Company's main business, or acquisitions that call for an outlay in excess of three million euros.

4.- To approve merger, takeover, division, reconstruction and consolidation transactions concerning any direct investee of Enagás, S.A.

5.- To launch public bids for shares and other securities, seek authority from the General Meeting for merger, takeover, division, reconstruction and consolidation transactions involving Enagás, S.A., and any other transaction entailing structural alterations to the Company, such as the hiving-off to subsidiaries of core activities hitherto carried on by the Company, acquisition and sale of core operating assets where such transaction effectively involves a change to the Company's objects, and transactions of an effect equivalent to liquidation of the Company.

6.- To approve the sale of equity interests or other assets of a value in excess of three million euros, or, though of a lesser value, acquired by approval of the Board, provided that such transaction does not bring about a structural alteration of the Company.

7.- To approve acquisitions and sales of assets of the Company or of its subsidiaries which for any reason carry special significance irrespective of amount, and to seek authority from the General Meeting for the acquisition or sale of core operating assets where such transaction effectively involves a change to the Company's objects.

8.- To approve investment proposals the value of which exceeds three million euros.

9.- To issue series of promissory notes, bonds and similar securities of Enagás, S.A. or investees in which the Company holds a majority or a controlling interest.

10.- To stand as surety to secure obligations owed by entities not controlled by the Group.

11.- To assign rights in the trade name and trademarks, patents, technology and any form of intellectual or industrial property owned by Enagás, S.A. or Group companies and carrying economic significance.

12.- To create and oversee the management of employee pension plans and any other commitment to employees entailing long-term financial liabilities for the Company.

13.- To enter into long-term commercial, industrial or financial agreements of strategic importance for the Enagás Group.

14.- To approve the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories qualifying under statute as tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.

**C) Powers and duties relating to financial statements and external audit:**

1.- To authorise for issue, in clear and precise terms facilitating comprehension of their contents, the individual and consolidated financial statements and the Directors' report, after obtaining the report issued by the finance department and the relevant report issued by the Audit and Compliance Committee, all appropriate clarifications having been made.

The Board of Directors shall see to it that the financial statements provide a true and fair view of the Company's equity, financial position and results of operations, in accordance with the law.

2.- To lay before the General Meeting a nomination for the role of accounts auditor of the Company on the proposal of the Audit and

Compliance Committee and in fulfilment of these Rules and Regulations.

Except if otherwise indicated expressly in the minutes of proceedings, there shall operate a presumption that, before setting their hands to the authorisation for issue of the financial statements as required by law, the Directors have availed themselves of the information necessary for the performance of that act, whether directly or via the Audit and Compliance Committee. The Board may place on record any reservation it thinks fit with respect to the foregoing.

Upon authorising the financial statements for issue, the Board shall attend to any comments or recommendations submitted by the Audit and Compliance Committee in its prior report. If the financial statements depart from the prior report issued by the Audit and Compliance Committee, the Board of Directors shall provide an adequate explanation of the reasons for the discrepancy.

The Board of Directors shall endeavour to present the financial statements in such a way that there are no grounds for qualification from the Company's Accounts Auditor. However, if the Board of Directors determines that it must stand by a contrary view, it shall publicly explain the content and extent of the discrepancy.

3.- To frame policy on risk control and management, and the periodic monitoring of internal information and control systems.

**D) Powers and duties relating to the securities market:**

1.- The Board of Directors shall adopt and execute all acts and measures required to ensure transparency of the Company with regard to the financial markets, uphold the proper formation of prices for the Company's and its subsidiaries' shares, and perform all functions attending the Company's status as a listed company pursuant to current laws and regulations.

2.- To authorise the financial information which the Company must report on a regular basis by reason of its being a listed Company.

In the event that an Executive Committee is in existence, the Board of Directors shall decide upon the powers and duties to be delegated to that Committee.

## **ARTICLE 6.- MEETINGS OF THE BOARD OF DIRECTORS**

- 1.- The Board of Directors shall meet at least once every two months and, on the motion of the Chairman, whenever the Chairman thinks fit for the proper running of the Company.

The Board must be summoned to a meeting if so requested by a majority of Directors, in accordance with article 39 of the Articles of Association.

Directors who represent at least one third of the members of the board of directors may call the meeting, stating the agenda, to be held in the locality where the registered office is located, if they have requested the chairman to convene the meeting and the meeting has not been called within one month without reasonable cause.

As the party responsible for the efficient functioning of the Board, the Chairman shall see to it that the Directors previously receive adequate information.

Ordinary meetings of the Board shall transact general business relating to the Group's performance, earnings, balance sheet, investments, the Company's cash position and how it compares to the adopted budget, the business referred to in article 5, if applicable, and the business listed on the agenda, to be drawn up pursuant to these Rules and Regulations.

At these regular meetings the Board shall receive timely information on the main operational achievements and difficulties and any foreseeable circumstances which may prove critical for the Company's affairs, and shall consider the course of action proposed by Company management in response.

- 2.- Notices convening ordinary sessions shall be issued by the Chairman or the Secretary, or by the Deputy Chairman on order of the Chairman, may be effected by any channel, and shall specify the meeting venue and agenda. The Chairman shall call the Board to meet when so requested by the Coordinating Independent Director in accordance with article 18 of these Rules and Regulations.

The notice of meeting, which other than in exceptional circumstances shall be issued at least three days in advance of the intended date of the meeting, shall contain all information and documents thought appropriate or relevant for Directors to be properly informed. Directors shall further be furnished with the minutes of the previous meeting, whether or not such minutes have been adopted.

The power to set the agenda of a meeting rests with the Chairman, but any Director may request in advance of the calling of such meeting that there be added to the agenda any items which in his/her view ought to be addressed by the Board.

The Board shall be properly constituted without need of prior notice if, all Directors being present in person or by proxy, the Directors unanimously consent to the holding of the meeting.

- 3.- Board Meetings shall ordinarily be held at the registered office, but may also be held at any other venue determined by the Chairman of the Board and specified in the notice of meeting.

#### **ARTICLE 7.- BOARD PROCEEDINGS**

- 1.- The Board of Directors shall be properly constituted when at least half its members plus one member are present in person or by proxy, except when the meeting has not been duly convened, in which case the attendance of all members is required.
- 2.- The Chairman shall moderate proceedings, encouraging active involvement by all Directors in the Board's deliberations and safeguarding their freedom to state their position and express their views.
- 3.- Each Director may confer a proxy to another Director, subject to any ceiling on proxies stipulated by the Articles of Association. Proxies for the representation of absent Directors may be granted by any means, with a telegram or facsimile addressed to the Chairman or Secretary of the Board being valid.
- 4.- Resolutions shall be adopted with the vote in favour of an absolute majority of Directors present in person or by proxy.

Votes may be cast in writing and in the absence of a meeting if no Director objects to such procedure and the requirements are satisfied of the *Reglamento del Registro Mercantil* [Spanish registrar of companies regulations].

- 5.- When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the meeting, those concerns must be noted in the minutes upon demand by the person voicing them.

### **CHAPTER THREE**

#### **LEGAL REGIME GOVERNING DIRECTORS**

## **ARTICLE 8.- APPOINTMENT OF DIRECTORS**

- 1.- Directors shall be appointed by the General Meeting or by the Board of Directors in conformity with the provisions of the *Ley de Sociedades de Capital* (Corporate Enterprise Act, "LSC") and the Company's Articles of Association.
- 2.- In order to be considered for appointment, candidates must have a solid reputation and possess the professional know-how and experience required to discharge their duties, in addition to complying with all requirements associated with the post imposed by law and the Articles of Association.

Any nomination for a Directorship which the Board lays before the General Meeting and any appointment made by the Board in the exercise of its statutory powers of co-option must be preceded by an appropriate proposal from the Appointments, Remuneration and Corporate Responsibility Committee. When the Board of Directors departs from the Committee's recommendations, it must explain the reasons for this, and such reasons must be duly recorded in the minutes.

- 3.- Selection procedures must be free of any implied bias against women candidates. The company shall seek out and include women with the target profile among the candidates for Board places.

## **ARTICLE 9.- APPOINTMENT OF INDEPENDENT DIRECTORS**

Independent Directors are defined as those who, appointed based on their personal and professional aptitudes, may perform their duties without being affected by dealings with the Company, its significant shareholders or its executives. Under no circumstances may the following be classified as Independent Directors:

- a) Persons who have been employed by, or served as Executive Directors of, Group companies, unless three or five years, respectively, have elapsed since the termination of that relationship.
- b) Persons who receive any sum or benefit other than Director's remuneration from the Company or its Group, unless such benefit is negligible. Dividends and pension supplements received by a Director on account of his/her prior professional or employment relationship shall not be taken into account for purposes of this section provided that such supplements are unconditional and, consequently, the company providing them may not, on a discretionary basis, suspend, modify or revoke any accrual thereof, without incurring a breach of obligations.

- c) Persons who are, or have been during the past three years, a partner of the external auditor or party responsible for the auditor's report reviewing the accounts of Enagás, S.A. or any other Group company for that period.
- d) Persons who are executive directors or senior managers of another company where an Executive Director or Senior Manager of Enagás, S.A. is a non-executive director.
- e) Persons who maintain, or have maintained in the past year, a significant business relationship with Enagás, S.A. or any other Group company, whether on their own behalf or as a significant shareholder, director or senior manager of any company that maintains or has maintained such relationship. Business relationships shall be defined as relationships whereby the company serves as a provider of goods or services, including those of a financial nature, or as an advisor or consultant.
- f) Persons who are significant shareholders, executive directors or senior managers of any entity that receives, or have received during the past three years, significant donations from Enagás, S.A. or its Group. Patrons or trustees of any foundation that receives donations shall not be included under this section.
- g) Spouses, partners or relatives up to the second degree of any of the Company's Executive Directors or senior managers.
- h) Persons who have not been nominated, whether for appointment or renewal, by the Appointments, Remuneration and Corporate Responsibility Committee.
- i) Persons who, in respect of a significant shareholder or one represented on the Board, find themselves in any of the circumstances described under sections a), e), f) or g). In the event of kinship as described under letter g), this limitation shall apply not only in respect of the shareholder, but also in respect of its proprietary directors at the investee. Proprietary Directors who lose their status as such as a result of the sale of their interest by the shareholder that they represented may only be re-elected as Independent Directors if the shareholder that they represented until that time has sold all of its shares in the Company.

Any Director holding an interest in the Company may hold the status of Independent Director provided that he/she meets all of the conditions established under this article and, further, that his/her interest is not significant.

## **ARTICLE 10.- TERM OF OFFICE AND CO-OPTION**

Directors may hold office for a period of four years, and may be re-elected. Directors who are co-opted shall hold office until the date of the first subsequent General Meeting.

## **ARTICLE 11.- RE-ELECTION OF DIRECTORS**

The Appointments, Remuneration and Corporate Responsibility Committee, responsible for evaluating the quality of work and dedication to their offices of the Directors proposed during the previous term of office, shall provide information required to assess proposal for re-election of Directors presented by the Board of Directors to the General Meeting.

As a general rule, an appropriate rotation of Independent Directors shall be sought. For this reason, when an Independent Director is proposed for re-election, the circumstances making this Director's continuity in the post advisable must be justified. Independent Directors shall not remain as such for a period in excess of twelve consecutive years.

## **ARTICLE 12.- DEPARTURE OR REMOVAL OF DIRECTORS**

- 1.- Directors shall leave their post after the first General Shareholders' Meeting following the end of their term of appointment and in all other cases in accordance with the law, the Articles of Association and these Rules and Regulations.
- 2.- Directors must place their offices at the Board of Directors' disposal, and tender their resignation, if the Board deems fit, in the following cases:
  - a) When they are affected by instances of incompatibility or prohibitions laid down in Law, the Articles of Association, and in these Regulations.
  - b) When they are in serious breach of their duties as Directors.
  - c) When they may put the interests of the Company at risk or damage its credibility and reputation. The moment a Director is indicted or tried for any of the crimes stated in article 213 of the LSC, the board shall examine the matter and, in view of the particular circumstances and potential harm to the Company's name and reputation, decide whether or not the Director shall be called on to resign.
  - d) When the reason for which they were appointed as Directors no longer holds.

- e) When Independent Directors cease to meet the conditions required under article 9.
- f) When the shareholder represented by a Proprietary Director sells its entire interest. They shall also do so, in the appropriate number, when that shareholder reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

If the Board of Directors does not deem it advisable to have a Director tender his/her resignation in the cases specified in points d), e) and f), the Director must be included in the category that, in accordance with these Rules and Regulations, is most appropriate based on his/her new circumstances.

- 3.- The Board of Directors shall not propose the removal of Independent Directors before the expiry of their tenure as mandated by the Articles of Association, except where just cause is found by the Board, based on a proposal from the Nomination Committee.
- 4.- After a Director resigns from his/her post, he/she may not work for a competitor for a period of two years, unless exempted from this duty or the duration of the duty is shortened by the Board of Directors.

### **ARTICLE 13.- DIRECTORS DUTIES**

The duty of a Director is to support and oversee the running of the Company for the purpose of maximising its value for the benefit of shareholders.

By virtue of his/her office, a Director is under a duty to:

- a) Carry into effect any specific assignment entrusted to him/her by the Board and reasonably embraced by the commitments attaching to his/her office.
- b) Report to the Board on any acts he/she performs by delegation from or engagement by the Board.

In addition to the general duties set out above, Directors shall discharge the following particular duties:

#### **a) Duty of diligent administration:**

A Director must perform his/her office with the diligence of a prudent businessperson.

Every Director must diligently acquaint himself with the Company's affairs and properly prepare for meetings of the Board and of any Committees of which he/she is a member.

A Director must attend the meetings of the organs of which he/she is a member and actively participate in deliberations so that his/her judgement makes an effective contribution to the decision-making process. A Director's absences from meetings must be confined to circumstances in which such absence is inevitable, and shall be quantitatively disclosed in the Annual Corporate Governance Report. If, on justified grounds, a Director is unable to attend a meeting to which he/she has been called, he/she must give instructions to the Director who, as the case may be, represents him/her by proxy.

Directors shall apprise the Appointments, Remuneration and Corporate Responsibility Committee of any other professional obligations in case they might detract from the necessary dedication. The Company may limit the number of directorships its board members can hold if this may also detract from the commitment required.

**b) Duty of loyalty:**

A Director must perform his/her office as a loyal representative in defense of the Company's interests and shall discharge the duties imposed by law and the Articles of Association.

In addition, a Director must comply with all rules imposed on him/her by the Company's Internal Code of Conduct in his/her capacity as a Director and, as the case may be, as a shareholder or senior executive of the Company.

Without prejudice to article 12, a Director must inform the Board of any circumstance that might harm the Company's name or reputation, with particular mention of any criminal charges brought against him/her and the progress of any subsequent proceedings.

**c) Ban on use of the name of the Company and of the capacity of Director:**

A Director may not use the Company's name or hold himself out as a Director of the Company for the purpose of concluding transactions on his/her own behalf or on behalf of his/her related parties.

**d) Persons related to the Directors:**

For the purposes of these Rules and Regulations, the status of related party of a Director shall attach to those persons referred to in article 231 of the LSC.

**e) Ban on taking advantage of business opportunities:**

A Director may not enter into, for his/her own benefit or for the benefit of his/her related parties, investments or any manner of transaction connected to Company property and known to him/her by reason of his/her office if such investment or transaction was offered to the Company or the Company had an interest in it, provided that the Company has not rejected such investment or transaction for reasons unrelated to the Director's influence.

**f) Situations involving conflicts of interest:**

A Director must disclose to the Board any situation of direct or indirect conflict between his/her own and the Company's interests.

In the event of a conflict of interest, the Director must refrain from taking part in the transaction giving rise to the conflict.

Any conflict of interest affecting Company Directors shall in any event be disclosed in the Annual Report.

The Director must disclose any direct or indirect equity interests, held either by the Director or by the related persons referred to in article 231 of the LSC, in another company carrying on the same or a similar or related business to that forming the subject matter of the Company's corporate purpose, and any office or functions he/she performs at such company.

The situations involving conflicts of interest provided in the foregoing paragraphs shall be disclosed in the Annual Report.

A Director may not, whether directly or indirectly, carry out professional or commercial transactions with the Company or any Group company unless he/she gives advance notice of the conflict of interest and the Board, with the advice of the Appointments, Remuneration and Corporate Responsibility Committee, approves the transaction. If the transactions are ordinary, a generic authorisation of the type of transaction and its terms and conditions shall suffice.

A Director, in his/her capacity as an honest representative of the Company, must inform the Company of any Enagás shares he/she holds, whether directly or through third companies in which he/she holds a significant interest, following the procedure and other formalities laid down for investment in the equity of Enagás and its investees.

A Director affected by a proposal for appointment, re-election or removal shall abstain from taking part in any deliberations and votes addressing such matters. In these events, votes shall be cast under conditions of secrecy.

**g) Directors' duty of confidentiality:**

A Director must keep in confidence any confidential information that becomes known to him/her in the performance of his/her office, even after vacating office; he/she is under a duty to uphold the confidentiality of any information, data, reports or background known to him/her by reason of his/her office, and may not communicate any such information to third parties or disclose it if the consequences might be detrimental to the Company's interests.

The duty referred to in this article is subject to the statutory exceptions in which communication or disclosure to a third party is permitted or, as the case may be, the information is requisitioned by or compulsorily to be sent to the relevant supervisory authorities, in which event such transfer of information must be effected in accordance with the law.

If a Director is body corporate, the duty of confidentiality shall bind its individual representative, subject to the representative's duty to inform the body-corporate Director.

**h) Duty of non-competition:**

A Director must abide by the non-competition duties prescribed in article 230 of the LSC.

**ARTICLE 14.- USES OF COMPANY INFORMATION AND ASSETS**

- 1.- A Director may not use the Company's non-public information for private purposes, except in the absence of any detriment to the Company and of any right of exclusivity in the Company or legal position of analogous import as to the information intended to be used, and provided that such information is not used for transactions of acquisition or sale of Company securities.

The Director must at all events comply with the standards of conduct prescribed in the legislation on the securities market and in the Enagás Group, S.A. Internal Code of Conduct regarding the securities market.

- 2.- A Director may not use Company assets or exploit his/her position at the Company to gain an economic advantage, unless he/she has given adequate consideration in return. If he/she is dispensed from giving such consideration, the economic advantage thus obtained shall be treated as indirect remuneration, and must be authorised by the Appointments, Remuneration and Corporate Responsibility Committee in strict conformity with the principle of equality of treatment of shareholders.

## **ARTICLE 14A.- RELATED-PARTY TRANSACTIONS**

- 1.- The Board of Directors shall know the transactions that the Company enters into, either directly or indirectly, with Directors, with significant shareholders or with persons related to these as defined in law. The execution of said transactions shall require authorisation from the Board, on the basis of a favourable report from the Appointments, Remuneration and Corporate Responsibility Committee. The aforementioned transactions shall be assessed from the point of view of equal treatment and on an arm's length basis, and shall be disclosed in the annual corporate governance report and in the Company's regular public reporting as provided in applicable laws and regulations.
- 2.- The authorisation provided in the previous paragraph shall not be necessary, however, for transactions that simultaneously comply with the three following conditions:
  - (a) they are undertaken by virtue of contracts whose conditions are basically standardised and are usually applied to the customers who contract the type of product or service in question;
  - (b) they go through at market prices, generally set by the person supplying the goods or services or, when the transactions are goods or services that have no set prices, at normal market rates, similar to those applied in commercial relations with customers with similar characteristics; and
  - (c) their amount is no more than 1% of the Company's annual revenues.
- 3.- If the conditions provided in the paragraph above are met, the affected parties shall not be under a duty to report said transactions.
- 4.- Exceptionally, when grounds of urgency make it advisable, related-party transactions may be authorised, if appropriate, by the Executive Committee, and later ratified by the Board.

## **ARTICLE 15.- RIGHT TO ADVICE AND INFORMATION**

- 1.- Directors have access to all Company services and may obtain the information and advice they need concerning any aspect of the Company, provided that their duties as Directors so require. The right to information extends also to both Spanish and foreign subsidiaries and shall be channelled through the Chairman or Secretary of the Board of Directors, who shall deal with requests from Directors, providing them with the information directly, offering

them the appropriate contact persons or taking such steps as may be necessary for the requested scrutiny.

The Board of Directors may take the steps necessary to guarantee the confidentiality of any information that may be considered commercially sensitive.

- 2.- Directors shall further be entitled to propose to the Board of Directors the engagement, at the Company's expense, of legal, accounting, technical, financial, commercial or any other type of experts deemed necessary for the interests of the Company, for the purpose of assisting the Board in performing its duties when there are specific problems of a certain importance and complexity linked to such performance.

The proposal must be communicated to the Chairman of the Board via the Secretary of the Board. The Board of Directors may withhold its approval when it considers that such services are unnecessary for the duties with which they are entrusted, or disagrees with the cost (disproportionate in relation to the problem and assets and revenues of the Company) or believes that such technical assistance can be adequately provided by experts and technicians from within the Company.

- 3.- The Company shall organise induction programmes for new Directors to acquaint them rapidly with the workings of the Company and its corporate governance rules. It shall also offer Directors refresher courses when circumstances so dictate.

## **ARTICLE 16.- DIRECTORS' REMUNERATION**

- 1.- The office of Director of Enagás, S.A. shall be remunerated in the manner stipulated in the Articles of Association, having regard to the report issued by the Appointments, Remuneration and Corporate Responsibility Committee pursuant to article 25 of these Rules and Regulations.

The Appointments, Remuneration and Corporate Responsibility Committee shall establish remuneration criteria for Company Directors, within the scope of the Company Articles of Association and in accordance with resolutions of the General Meeting, while the Board of Directors is responsible for final distribution of the overall sum within the limits established by Articles of Association for this purpose.

The Board of Directors may, on an annual basis, delegate the powers conferred upon it in respect of the remuneration of Directors to the Appointments, Remuneration and Corporate Responsibility

Committee, subject to the restrictions laid down in the Articles of Association.

- 2.- Payments to Directors shall be transparent. With this objective:
- The Notes to the financial statements, as an integral part of the financial statements, shall include accurate, detailed information on the remuneration received by each Director, and on the remuneration received by Executive Directors for performing senior management functions.
  - The Appointments, Remuneration and Corporate Responsibility Committee must submit to the Board of Directors the proposed Annual Report on Director Remuneration, which will contain full, clear and understandable information on the Company's remuneration policy approved by the Board for the current year, as well as, where appropriate, the expected policy for future years. It shall also include a global summary of how the remuneration policy was applied over the year, as well as a list of the individual remuneration accrued by each of the Directors. The Annual Report on Director Remuneration, once approved by the Board, shall be distributed and submitted to the vote, as a separate item on the agenda, of the Annual General Meeting of Shareholders.

## **CHAPTER FOUR**

### **LEGAL REGIME GOVERNING COMPANY OFFICEHOLDERS**

#### **AND THE POSITION OF GENERAL COUNSEL**

#### **ARTICLE 17.- THE CHAIRMAN OF THE BOARD OF DIRECTORS**

- 1.- The Chairman of the Board, in addition to the powers and duties attributed to him/her by law, the Articles of Association and these Rules and Regulations, if he/she is an executive Chairman, shall exercise the management in practice of the Company's affairs, always in accordance with the decisions and criteria laid down by the General Meeting and the Board of Directors in their respective spheres of authority.
- 2.- The Chairman of the Board shall chair all the Company's organs of governance and management.
- 3.- The Chairman of the Board may wholly or partly delegate his/her powers and duties to other Directors or to senior executives of the Company, unless such delegation is expressly prohibited by law.

- 4.- If the Chairman is absent, ill or unable to act as Chairman for whatever reason, the provisions of the following article shall apply.

#### **ARTICLE 18.- THE COORDINATING INDEPENDENT DIRECTOR**

The Board of Directors may appoint an Independent Director, on the proposal of the Appointments, Remuneration and Corporate Responsibility Committee, to perform the following duties, under the title of Coordinating Independent Director:

- a) To request the Chairman of the Board of Directors to convene that body when said Coordinating Independent Director deems it appropriate.
- b) To request that items be included on the Agenda of the meetings of the Board of Directors.
- c) To coordinate and voice the opinions of External Directors-
- d) To oversee the Board's evaluation of its Chairman and, where appropriate, the Managing Director.
- e) To perform as a Deputy Chairman the functions of the Chairman as regards the Board of Directors if the Chairman is absent, ill or unable to act as Chairman for whatever reason. In the absence of a Coordinating Independent Director, for the purposes of this section the most senior director in age shall act as Chairman.

#### **ARTICLE 19.- THE MANAGING DIRECTOR**

The Board may appoint a Managing Director and temporarily or permanently delegate to him/her any or all of the Board's powers and duties, except those which, under the law or by a resolution of the General Meeting, are vested in the General Meeting exclusively or may not be delegated by the Board.

#### **ARTICLE 20.- THE SECRETARY TO THE BOARD**

- 1.- The Secretary to the Board of Directors shall be appointed by the Board and need not be a Director. The Secretary shall exercise the functions conferred upon such position under commercial law and in these Rules and Regulations. To ensure the independence, impartiality and professionalism of the Secretary, his/her appointment and removal shall be the subject of a prior report from

the Appointments, Remuneration and Corporate Responsibility Committee and must be approved by the Board in plenary session.

- 2.- The Secretary shall assist the Chairman in his/her work in order to guarantee the smooth operation of the Board, and shall in particular be responsible for providing Directors with the necessary information and advice, keeping Company documents, duly recording meetings in the Minutes Book and certifying Board resolutions. The Secretary shall also be responsible for giving notice of resolutions adopted by the Board.
- 3.- The Secretary shall also be responsible for the formal and substantive legality of the Board of Directors' actions and ensure that its governing procedures and rules are respected and regularly revised. In particular he/she shall ensure that the actions of the Board:
  - a) adhere to the spirit and letter of primary enactments and their implementing regulations, including those issued by regulatory agencies;
  - b) comply with the Company's Articles of Association and Rules and Regulations of the Board and others of the Company;
  - c) incorporate the good governance recommendations that the Company has accepted.

#### **ARTICLE 21.- THE DEPUTY SECRETARY TO THE BOARD**

The Board may appoint a Deputy Secretary, who need not be a Director, to assist the Secretary to the Board and replace him/her in the performance of his/her duties in the event of absence or illness.

#### **ARTICLE 22.- GENERAL COUNSEL**

It falls to the General Counsel to see to it that legal requirements are satisfied in the convening, constitution and decision-making of the Board of Directors. In particular, the General Counsel is entrusted with a duty to advise on the legality of the deliberations conducted in his/her presence. The General Counsel's statutory stewardship of the principle of legality in Board resolutions, decisions and deliberations shall be discharged by the Secretary to the Board if he/she is a qualified lawyer [abogado].

### **CHAPTER FIVE**

#### **DELEGATION OF POWERS AND SPECIAL COMMITTEES**

## **ARTICLE 23.- BOARD COMMITTEES**

The Board shall operate at least the following Committees: the Appointments, Remuneration and Corporate Responsibility Committee and the Audit and Compliance Committee.

In addition, the Board may resolve to create an Executive Committee in accordance with the following article.

## **ARTICLE 24.- EXECUTIVE COMMITTEE**

- 1.- The Executive Committee shall comprise the Chairman of the Board and no more than eight Directors, drawn from the three categories defined in article 3 of these Rules and Regulations in the same proportions as those then prevailing on the Board.

The appointment of a member of the Executive Committee shall require a vote in favour by at least two-thirds of Directors whose appointments are in effect.

- 2.- The Chairman of the Board shall be the Chairman of the Executive Committee, and the Secretary to the Board shall be the Committee Secretary, who may be assisted by a Deputy Secretary.
- 3.- The Executive Committee shall be properly constituted when one half of the membership plus one member are present in person or by proxy.
- 4.- A member of the Executive Committee shall vacate his/her office upon ceasing to be a Director or when so resolved by the Board. Any emerging vacancy shall be filled by the Board as soon as practicable.
- 5.- The Executive Committee shall act in the exercise of powers delegated by the Board. The scope of the permanent delegation of powers by the Board to the Executive Committee shall be decided by a resolution of the Board, and may embrace all Board powers except those that the law, the Company's constitutional documents or these Rules and Regulations determine to be non-delegable. No delegation may be made of the duties to render accounts and lay financial statements before the General Meeting, nor of any powers granted by the General Meeting to the Board of Directors, unless expressly authorised so to delegate by the General Meeting.
- 6.- The Executive Committee shall hold its ordinary meetings on a monthly basis. The Secretary shall take the minutes of the resolutions passed at each meeting, which resolutions shall be reported to the first subsequent full meeting of the Board.

- 7.- If in the view of the Chairman or of three Executive Committee members the importance of some matter so requires, the relevant resolution of the Executive Committee shall be submitted to ratification by a plenary meeting of the Board.

This rule shall also apply to any matter which the Board has referred to the Executive Committee for consideration while reserving the power to make the final decision.

In any other event, a resolution adopted by the Executive Committee in the exercise of the powers delegated to it shall be valid and binding without need of later ratification by the plenary meeting of the Board.

The full Board shall be informed of the business transacted and decisions adopted by the Executive Committee at the first full Board meeting subsequent to the Committee meeting. All Directors shall receive copies of the minutes of proceedings of the Executive Committee.

- 8.- The provisions of these Rules and Regulations on the functioning of the Board shall be applicable to the Executive Committee as far as practicable.

## **ARTICLE 25.- APPOINTMENTS, REMUNERATION AND CORPORATE RESPONSIBILITY COMMITTEE**

- 1.- The Appointments, Remuneration and Corporate Responsibility Committee shall comprise at least three and no more than six Directors, to be appointed by the Board.

The Appointments, Remuneration and Corporate Responsibility Committee must comprise a majority of Independent Directors. No Executive Director may sit on the Committee, but may be present if so expressly resolved by the Committee.

The Committee Chairman shall be an Independent Director selected from among Committee members by the Board of Directors, and shall not have a casting vote.

- 2.- Under article 45 of the Articles of Association, the Committee has the following duties and powers:
- To propose remuneration criteria for the Directors of the Company, in accordance with the stipulations of the Articles of Association and in line with resolutions passed at the General Meeting, and to ensure that remuneration is transparent.
  - To propose a general remuneration policy for Enagás management personnel, providing a rationale to the Board of

Directors, and guidelines relating to the appointment, selection, promotion and dismissal of senior managers of the Company, in order to ensure that the Company has appropriate highly-qualified staff for administering its business at all times.

- To review the structure of the Board of Directors, as well as the criteria for the renewal of Directors required under the Articles of Association, the addition of new members and any other aspects relating to its composition that it deems appropriate, providing the Board of Directors with the proposals that the Committee considers necessary.
- To report on the appointment and dismissal of the Secretary of the Board of Directors.
- To inform the Board of Directors, prior to approval, of transactions that Directors wish to undertake that imply or may imply a conflict of interest, in accordance with the stipulations of the Internal Code of Conduct regarding the securities market.
- To formulate and revise the criteria to be followed in the composition of the Board of Directors and for the selection of the candidates proposed for the office of Director, ensuring that their access to the Board does not affect the Company's status as technical transmission operator, pursuant to the provisions of regulations applicable concerning hydrocarbons.
- To provide information, objectively and in the Company's interest, concerning the proposals for appointment, re-election and ratification of Directors, as well as for the appointment of members of Board Committees.
- To formulate proposals to the Board of Directors regarding the Company's organisational structure, including the creation of senior management posts in order to achieve improved and more efficient Company administration.
- To produce reports on intended appointments and dismissals of senior management staff, and, where necessary, approve special terms in their contracts.
- To approve the remuneration of senior management, provided that this does not diverge from criteria established in the general remuneration policy for executives.
- To report to the Board of Directors on any related-party transactions before authorisation thereof. Under no circumstances shall the transaction be authorised if prior to this the report stipulated in article 14a of these Rules and Regulations has not been issued.

- Report to the Board on the general CSR and Corporate Governance policy, ensuring the adoption and effective application of best practices, both those which are compulsory and in line with generally-accepted recommendations. To do this, the Committee may submit to the Board the initiatives and proposals it deems appropriate and shall provide information on proposals submitted to the Board and information the company releases to shareholders annually regarding these issues.
  - To report to the Board of Directors on measures to be taken in the event of breach of these Rules and Regulations or the Internal Code of Conduct on matters relating to the securities markets on the part of Directors or other persons subject to those rules. In performing this duty, the Appointments, Remuneration and Corporate Responsibility Committee shall work in conjunction with the Audit and Compliance Committee wherever appropriate.
- 3.- The Committee shall meet at least four times a year. Meetings shall be called by its Chairman. The Committee may seek advice both internally and externally and request the attendance of senior management personnel of the Company and its Group, as deemed necessary in the execution of its duties. Each Committee meeting shall be reported at the first subsequent meeting of the full Board, and a copy of the minutes of Committee proceedings shall be sent to every Director.

#### **ARTICLE 26.- THE AUDIT AND COMPLIANCE COMMITTEE**

- 1.- The Audit and Compliance Committee shall comprise at least three and no more than five Directors, to be appointed by the Board having particular regard to their expertise and experience in accounting, auditing or risk management.

No Executive Director may sit on the Audit and Compliance Committee. At least one member of the Committee must be independent and will be appointed in light of their knowledge and track record in matters of accountancy, auditing, or both.

The Committee Chairman shall be an Independent Director selected from among Committee members by the Board of Directors, and shall not have a casting vote. The Chairman must be replaced every four years, but may be re-elected once the term of one year has elapsed from his or her removal.

- 2.- The chief purposes of the Committee are to evaluate the Company's accounting verification system, ensure the independence of the External Accounts Auditor, review the internal control system, safeguard the transparency of information, and ensure compliance with the Internal Code of Conduct.

- 3.- In particular, and in compliance with the provisions of article 44 of the Articles of Association, the Audit and Compliance Committee has the following duties and powers:
- To provide information at General Meetings on issues raised by shareholders that fall within the scope of its powers.
  - To see to the proper operation of the Company's internal control, its internal audit function, if applicable, and risk management systems, and discuss with the auditors any significant weaknesses in the internal control system detected in the course of audit.
  - To oversee the process of preparation and presentation of statutory financial reporting.
  - To propose to the Board of Directors, for submission to the General Meeting, the appointment of the external accounts auditor, in accordance with article 264 of the LSC, and the fees payable to the auditor.
  - To liaise with the account auditors to obtain information on any issues that could compromise the latter's independence for appraisal by the Committee or any other subjects related to the auditing process, and on any other disclosure obligations established in legislation on the annual audit process and in auditing standards. At all events, they must annually receive from the auditors a written confirmation of their being independent from the Company and any entity directly or indirectly related to it, and a disclosure of any manner of additional services provided to such entities by the auditors or persons or entities related to them in accordance with *Ley 19/1988* (the Audit Act, 1988).
  - To issue annually, prior to the issue of the audit report, a report giving an opinion on the independence of the auditors or audit firms. The report must at all events make reference to the provision of additional services referred to in the above sub-section.
- 4.- The Audit and Compliance Committee shall be governed by applicable law, by the Articles of Association, by these Rules and Regulations and by its own Rules and Regulations of organisation and functioning, to be adopted by the Board. Each Committee meeting shall be reported at the first subsequent meeting of the full Board, and a copy of the minutes of Committee proceedings shall be sent to every Director.

## **CHAPTER SIX**

### **RELATIONS OF THE BOARD**

#### **ARTICLE 27.- SHAREHOLDER RELATIONS**

- 1.- In its relations with shareholders, the Board shall apply the principle of equality of treatment, create appropriate systems to consider shareholders' proposals as to the running of the Company, host presentations on the performance of the Company and its Group, and open the channels required for regular information exchange with shareholder committees and groups.
- 2.- As regards institutional shareholders, the Board shall put in place systems allowing for regular information exchange on topics such as investment strategy, performance assessment, composition of the Board and management effectiveness. Such information may in no event create states of privilege or afford special advantages with respect to the rest of shareholders.

In particular, the Board shall see to it that no asymmetric distribution of information among shareholders arises and that significant shareholders do not gain improper access to the Company's privileged information.

3. The Board of Directors shall encourage informed participation by shareholders at the General Meetings, adopting such measures as are appropriate to facilitate the General Meeting properly carrying out the functions attributed to it by law and the Articles of Association.

In particular, the Board shall take the following steps:

- a) The Board shall, in advance of the General Meeting, furnish shareholders with all information required by law and, as far as practicable, any information which, though not a statutory requirement, is manifestly relevant and reasonably susceptible to being supplied.
- b) The Board shall publish an Annual Corporate Governance Report at least containing the disclosures prescribed in article 61.bis of the *Ley de Mercado de Valores* (Securities Market Act, "LMV"), in the laws and regulations implementing that statute, and any other applicable laws and regulations.

The Annual Corporate Governance Report shall be published in the form of a 'significant event' [Hecho Relevante] and made available to shareholders over the Company's website so as to facilitate shareholders' exercise of the right to information prescribed in article 197, 520 and 539 of the LSC.

- c) The Board shall publish an annual Report on Director Remuneration at least containing the disclosures prescribed in article 61.ter of LMV, in the laws and regulations implementing that statute, and any other applicable laws and regulations.
- d) The Board shall see to it that the Company's website functions as an effective reporting tool and at all times provides the mandatory content, in properly updated form, stipulated in applicable laws and regulations.

The Board of Directors shall be responsible for the information displayed on the Company's website being kept up to date, and shall ensure that its content is consistent with that of the documents filed and deposited with the appropriate public registers.

- e) The Board shall use the utmost diligence to attend to shareholders' information requests in advance of the General Meeting.
  - f) The Board shall likewise use the utmost diligence to reply to shareholders' questions on the occasion of the General Meeting.
  - g) The Board shall ensure, in its functions as Presiding Panel at the General Meeting, that the stipulations of regulations for the hydrocarbons sector are met in connection with restrictions on exercise of voting rights.
  - h) The Board shall see to it that the Rules and Regulations of the General Meeting are complied with.
- 4.- The Board of Directors shall establish appropriate procedures to know shareholders' proposals as regards the running of the Company.
  - 5.- The Board, via one of the Directors and with the assistance of such executives as it thinks fit, may host presentations on the performance of the Company and its Group aimed at shareholders residing in the leading financial centres of Spain and other countries.
  - 6.- Any call for proxies issued by a Director must specify how the proxy-holder will vote if the shareholder omits to give instructions.

Any Director who has issued a call for proxies at a General Meeting shall refrain from exercising voting rights attaching to the represented shares as to any item of business on the agenda in respect of which the Director is affected by a conflict of interest, unless the proxy-holder has received precise voting instructions for each of these points, specified in article 522 of the LSC. In all cases, the Director shall be deemed to be in a position of conflict of interest with regard to the following decisions:

- i. His/her own appointment, reelection or ratification as a Director.
- ii. His/her removal, dismissal or termination as a Director.
- iii. The bringing by the Company of an action for liability against him/her.
- iv. The adoption or ratification, as applicable, of Company transactions with the Director in question or with companies controlled or represented by him/her or by persons acting on his/her behalf.

#### **ARTICLE 28.- RELATIONS WITH MARKETS**

- 1.- The Board of Directors shall ensure timely compliance with prevailing directions on the reporting of significant events in accordance with the provisions in effect at the given time under the Internal Code of Conduct of the Company.
- 2.- The Enagás Board of Directors shall take the necessary measures to ensure that quarterly, half-yearly, annual and any other financial information that applicable regulations and prudence require be furnished to the markets are prepared in accordance with the same principles, criteria and professional practices with which the Annual Financial Statements are prepared, and are as reliable as the latter.

### **CHAPTER SEVEN**

#### **MINUTES OF MEETINGS OF THE BOARD OF DIRECTORS**

#### **ARTICLE 29.- MINUTES OF MEETINGS OF THE BOARD**

Meetings and resolutions of the Board of Directors will be recorded in a book of minutes, to be signed by the Chairman and the Secretary. The Secretary to the Board is the custodian of the book of minutes.

The Secretary shall issue any certification required in connection with the minutes and resolutions of the Board. Any certification thus issued must carry the Chairman's countersignature.

No resolution may be certified that is not on record in minutes that have been adopted and signed.

The power to record Company resolutions in a notarial instrument shall rest with the Secretary and any Director whose Directorship is in effect and on file with the registrar of companies.