

Relevant Fact

Criteria Caixa, SAU (CriteriaCaixa) and Repsol, S.A. (Repsol) have today reached an agreement with GIP III Canary 1 S.À R.L (GIP), a company controlled by Global Infrastructure Management LLC, for the sale of 20% of the share capital of Gas Natural SDG, S.A. (Gas Natural) for a total amount of EUR 3,802,619,492. Each of CriteriaCaixa and Repsol sells to GIP 100,068,934 shares representing 10% of Gas Natural's share capital for an amount of EUR 1,901,309,746, which is equivalent to a price of EUR 19 per share. CriteriaCaixa's consolidated capital gain from the transfer of this 10% stake amounts to EUR 218 million.

As a result of the foregoing, CriteriaCaixa and Repsol have also agreed to terminate the agreement between "la Caixa" and Repsol regarding Gas Natural dated 11 January 2000, further amended on 16 May 2002, 16 December 2002 and 20 June 2003. The termination agreement thereof is attached as Annex 1 hereto.

Moreover, CriteriaCaixa, Repsol and GIP have undertaken certain commitments on Gas Natural's corporate governance concerning the composition of its Board of Directors and its Committees, which are detailed in Annex 2 hereto.

The acquisition's closing is subject to the changes derived from the aforesaid commitments on corporate governance being implemented in Gas Natural corporate bodies, and to a qualified majority of two thirds of the directors being established in the Board of Directors' Regulations of Gas Natural in respect of certain reserved matters (basically, the acquisition or disposal of significant assets, the approval of the budget and the strategic plan, the amendment to the dividend distribution policy or the subscription or amendment of material contracts).

In turn, the termination of the agreement between "la Caixa" and Repsol of 11 January 2000 is subject to the effective transfer to GIP of the mentioned shares representing 20% of Gas Natural's share capital.

Barcelona, 12 September 2016

ANNEX 1

This termination agreement has been executed in Spanish language and is translated into English exclusively for informative purposes.

"TERMINATION OF THE AGREEMENT BETWEEN REPSOL, S.A. AND CRITERIA CAIXA, S.A.U. IN RELATION TO THEIR SHAREHOLDING IN GAS NATURAL SDG, S.A.

Madrid and Barcelona, 12 September 2016

BETWEEN

- I. CRITERIA CAIXA, S.A.U. ("Criteria")**, a Spanish company (sociedad anónima), with registered office at Avenida Diagonal 621, 08028 Barcelona, and holding Spanish tax identification number (N.I.F.) A-63,379,135. Criteria is duly represented by Mr. Isidro Fainé Casas, Chairman of Criteria's Board of Directors, especially authorised to execute this Agreement pursuant to the resolutions adopted by Criteria's Board of Directors on 12 September 2016.
- II. REPSOL, S.A. ("Repsol")**, a Spanish company (sociedad anónima), with registered office at C/ Méndez Álvaro 44, 28045 Madrid, and holding Spanish tax identification number (N.I.F.) A-78,374,725. Repsol is duly represented by Mr. Josu Jon Imaz San Miguel, Repsol's Chief Executive Officer pursuant to the delegation of faculties conferred to him in the public deed granted on 13 May 2015 before the Notary Public of Madrid, Mr. Martín María Recarte, under number 1,276 of his records, duly registered with the Commercial Registry of Madrid, and especially authorised to execute this Agreement pursuant to the resolutions adopted by Repsol's Board of Directors on 9 September 2016.

Criteria and Repsol will be jointly referred to as the "Parties" and individually as a "Party".

RECITALS

- I.** *The Parties are party to a shareholders' agreement dated 11 January 2000, amended through three amendments (novaciones) dated 16 May 2002, 16 December 2002 and 20 June 2003 (the "Agreement") relating to their shareholding in Gas Natural SDG, S.A. (the "Company").*
- II.** *On the date hereof, the Parties as sellers have executed with GIP III Canary 1, S.À R.L. ("GIP") as buyer a sale and purchase agreement of shares of the Company relating to a total of 200,137,868 shares of the Company representing 20% of its share capital, which also includes various undertakings regarding their representation on the Company's board of directors and committees.*
- III.** *In this context, the Parties have agreed to sign this contract to terminate the Agreement (the "Contract"), pursuant to the following:*

CLAUSES

1. TERMINATION OF THE AGREEMENT

Subject to the fulfillment of the condition established in clause 2 below, the Parties agree to terminate the Agreement for all purposes, automatically extinguishing all the rights, obligations and intentions derived from the same, and, as a result, agree to terminate their concerted action in the Company.

2. CONDITION PRECEDENT

The effectiveness of this Contract is subject to the effective transfer of the shares representing 20% of the Company's share capital (10% in the case of Repsol and 10% in the case of Criteria) in favour of GIP pursuant to the sale and purchase agreement of Company's shares executed by the Parties and GIP on the date of this Contract.

3. COMMUNICATION TO THE MARKET

The Parties will inform the market of the entire content of this Contract and will comply with all applicable obligations pertaining to transparency and publicity.

4. JURISDICTION

The Parties, expressly waiving their right to any other jurisdiction, submit to the courts of the city of Barcelona (Spain) for the resolution of any dispute, claim or controversy arising from or relating to this Contract, including any question with respect to its existence, validity, termination, nullification or effectiveness.

5. GOVERNING LAW

This Contract shall be governed by the common laws of the Kingdom of Spain (legislación común española).

IN WITNESS WHEREOF, the Parties initial each page and sign two original counterparts of this Agreement on the date and in the place first before written.

CRITERIA CAIXA, S.A.U.

By:

REPSOL, S.A.

By:

Mr. Isidro Fainé Casas

Mr. Josu Jon Imaz San Miguel"

ANNEX 2

The share purchase agreement including the corporate governance commitments below has been executed in Spanish and in English. In the event of discrepancies between both versions, the Spanish version shall prevail.

“7. COMPANY’S CORPORATE GOVERNANCE

7.1 Proportional representation in the Company’s Board of Directors

The Parties undertake to use their best efforts to ensure, to the extent legally possible, that each of them is represented in the Board of Directors in proportion to its Company shareholding.

In particular, and as long as the Company’s Board of Directors is composed of 17 directors, the Parties may appoint one director for each 5.88% stake in the Company’s share capital. Given that once the transfer of the Shares provided herein is completed, Criteria shall hold a 24.439% stake, Repsol shall hold a 20.083% stake and the Buyer shall hold a 20.00% stake, four directors shall be appointed upon Criteria’s proposal, three upon Repsol’s proposal, three upon the Buyer’s proposal, six shall be independent directors and one shall be an executive director (this being understood as the Chief Executive Officer).

In the event of changes of the total number of directors composing the Company’s Board of Directors or fluctuations in the Parties’ shareholding in Company, the Parties will take the necessary steps to adjust the Board’s composition in such a manner as to maintain the balance between the directors appointed by each Party pursuant to the principle of proportional representation set out in this Clause.

7.2 Appointments in the Company’s Board of Directors

The Chairperson and the Deputy Chairpersons of the Company’s Board of Directors shall be appointed by the Board itself, which will approve what it deems appropriate with freedom of opinion and judgement. Notwithstanding, the Parties undertake to use their best efforts to ensure, to the extent legally possible, that:

- (i) the Board of Directors’ Chair is not executive, and they deem reasonable that it is held by one of the directors appointed by the Party whose shareholding in the Company is significantly higher than that of the other Parties, which is currently Criteria.*
- (ii) the Board of Directors has two non-executive Deputy Chairs which, as long as a director appointed by Criteria holds the Board’s Chair, will be held by directors appointed by Repsol and the Buyer respectively.*

7.3 Participation in the Board of Directors’ committees

The members of the committees of the Company’s Board of Directors shall be appointed by the Board itself, which will approve what it deems appropriate with freedom of opinion and

judgement. Notwithstanding, the Parties undertake to use their best efforts to ensure, to the extent legally possible, the participation of their directors in the Board of Directors' committees pursuant to the following criteria:

- (i) Executive Committee: That the Executive Committee have ten members, two of which shall be directors appointed by Criteria (including, if applicable, the Board's Chairperson), two shall be appointed by Repsol, two shall be appointed by the Buyer, three shall be independent directors and one shall be an executive director of the Company.
- (ii) Audit Committee: That the number of Audit Committee members be increased to seven, one of which shall be appointed by Criteria, another shall be appointed by Repsol, another shall be appointed by the Buyer and four shall be independent directors.
- (iii) Appointments and Remuneration Committee: That the number of Appointments and Remuneration Committee members be increased to five, one of which shall be appointed by Criteria, another shall be appointed by Repsol, another shall be appointed by the Buyer and two shall be independent directors.

7.4 Independence of the Parties

The Parties, in their capacity as shareholders of the Company, shall exercise the rights inherent to such capacity with full autonomy and in the manner they deem most appropriate from time to time, without any restriction other than that set out in this Clause 7.

As a consequence, the Parties expressly state that this Agreement does not constitute an action in concert in respect of the Company's corporate governance and undertake to conduct their actions in the Company's governing bodies independently, so that such actions do not, under any circumstances, constitute an action in concert among the Parties for the purposes of Royal Decree 1066/2007 of 27 July on rules applicable to tender offers for securities (Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores), as amended or substituted.

7.5 Termination in the event of reduction of the Parties' shareholding in the Company

If any of the Parties reduces its stake in the Company upon the execution and settlement of the transfer under this Agreement (Criteria 24.439%, Repsol 20.083% and the Buyer 20.00%) by ten or more percentage points in respect of the Company's share capital, such Party shall be excluded from the Agreement. The provisions of Clause 7 shall still survive among the Parties that continue to have a stake in the Company above such threshold, such Parties undertaking to negotiate in good faith the adaptation of such provisions to the new situation. For such purposes, the Party that reduces its stake below the above referred threshold shall immediately notify the other Parties of such event.

The reduction of a stake due to intra-group transactions shall be irrelevant for the purposes of the previous paragraph, as long as the acquiring entity remains in the group, which, in the case of the Buyer, will be deemed composed for the purposes of this Agreement by the companies directly or indirectly controlled by funds or investment entities managed or advised by GIM.”