



2012

Ordinary General Shareholders' Meeting

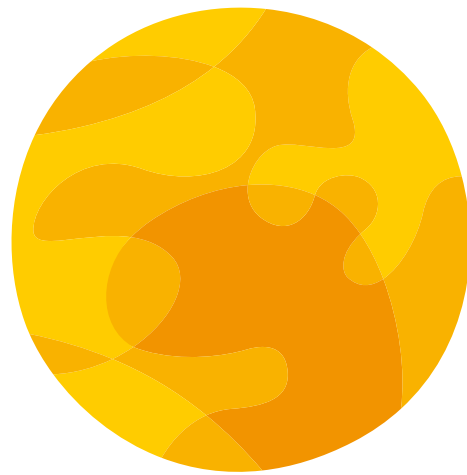
Call for Ordinary General Shareholders' Meeting

Proposals of Resolutions

Reports of the Board of Directors

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Repsol YPF, S.A.

Notice of Call to Ordinary General Shareholders' Meeting

By resolution of the Board of Directors of Repsol YPF, S.A. shareholders are called to the Ordinary General Shareholders Meeting (AGM), which will be held at Palacio Municipal de Congresos, Avenida de la Capital de España-Madrid, Campo de las Naciones, Madrid, at 12:00 noon on 30 May 2012 on first call and at the same time and place on 31 May 2012 on second call, with the following

Agenda

Items regarding the Annual Accounts, management by the board and the reelection of the accounts auditor

First. Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol YPF, S.A., the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2011, and the proposal for the application of earnings.

Second. Review and approval, if appropriate, of the management of the Board of Directors of Repsol YPF, S.A. during 2011.

Third. Appointment of the Accounts Auditor of Repsol YPF, S.A. and its Consolidated Group for fiscal year 2012.

Items regarding the Corporate Governance Reform

Fourth. Modification of Articles 19, 20, 28 and 47 and addition of a new Article 45 bis of the Bylaws; and modification of Articles 5, 6, 8 and 14 of the Regulations of the General Shareholders' Meeting to adjust the Company's corporate governance regulations to the recent changes in law.

Fifth. Modification of Articles 27, 32, 37, 39 and addition of a new Article 45ter of the Bylaws to improve the functioning of the Board of Directors and other aspects of the Company's corporate governance.

Six. Modification of Article 22 and addition of new Articles 22bis and 44bis of the Bylaws; and modification of Articles 3, 9 and 13 of the Regulations of the General Shareholders' Meeting to reinforce the protection of the Company against conflicts of interest.

Items regarding the composition of the Board of Directors

Seventh. Re-election of Mr. Isidro Fainé Casas as Director.

Eighth. Re-election of Mr. Juan María Nin Génova as Director.

Items regarding programs for participation in the share capital of the company

Ninth. Stock Acquisition Plan 2013-2015.

Items regarding the capital of the company

Tenth. Increase of share capital in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the scrip dividend rights to the Company itself or on the market. Delegation of authority to the Board of Directors or, by delegation, to the Executive Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Spain's Continuous Market and on the Buenos Aires stock exchange.

Eleventh. Second capital increase in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the scrip dividend rights to the Company itself or

on the market. Delegation of authority to the Board of Directors or, by delegation, to the Executive Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through Spain's stock exchange Market and on the Buenos Aires stock exchange.

Point regarding the corporate name of the company

Twelfth. Modify the corporate name of the Company and subsequent modification of Article 1 of the Bylaws.

Point regarding the authorisation and express delegation required for the Board of Directors

Thirteenth. Delegation to the Board of Directors of the power to issue fixed rate, convertible and/or exchangeable securities for company shares or exchangeable for shares in other companies, as well as warrants (options to subscribe new shares or to acquire shares in circulation of the company or other companies). Fixing the criteria to determine the bases and modes of conversion and/or exchange and attribution to the Board of Directors of the powers to increase capital by the amount necessary, as well as to totally or partially exclude the pre-emptive subscription rights of the shareholders of said issues. Authorisation for the company to guarantee securities issued by its subsidiaries. To leave without effect, in the portion not used, the sixteenth B) resolution of the General Shareholders' Meeting held on 15 April 2001.

Item regarding the company's corporate website

Fourteenth. Ratification of the creation of the Company's corporate website www.repsol.com

Item regarding remuneration of the company directors

Fifteenth. Advisory vote on the Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for 2011.

Item regarding general matters

Sixteenth. Delegation of powers to supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.

During the AGM shareholders will be informed on the modification of the Regulations of the Board of Directors, pursuant to Article 528 of the Companies Act and on the authorization for the Board of Directors to enter into related party transactions, pursuant to Article 22.2.(c) of the Regulations of the Board of Directors.

Right to supplement the agenda and propose new resolutions

Shareholders representing at least five per cent of the capital may request the publication of a supplemental notice of call, including one or several items on the agenda. This request shall be sent through any certifying means, to be received at the registered office within five days after publication of the original notice of call, stating the identity of the shareholders exercising the right, the number of shares they hold and the items to be included in the agenda, enclosing the reasons for their proposal or the corresponding proposed resolutions and justification thereof, together with any other relevant documents. The same shareholders representing at least five per cent of the capital may also submit, by any certifying means to be received at the registered office within five days after publication of the original notice of call, proposed resolutions, stating reasons, on matters already included or to be included on the agenda, all pursuant to Article 519.2 of the Companies Act. The foregoing is without prejudice to the right of any shareholder, during the General Meeting, to submit alternative proposals or proposals on items that do not need to be included on the agenda, pursuant to the Companies Act.

Attendance right

Shareholders whose shares have been registered in the appropriate stock ledger five (5) days prior to the date set for the Shareholders' Meeting and who have the corresponding attendance, proxy and voting card may attend and vote.

Attendance, proxy and voting cards shall be issued by the corresponding member of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* (hereinafter IBERCLEAR) in each case and a model card will also be available for shareholders on the Company's website (www.repsol.com) and at the Shareholder Information Office.

Attendance, proxy and voting cards may be exchanged on the date of the Shareholders' Meeting for other standardized documents for recording attendance, issued by the Company to facilitate drawing-up of the attendance list and exercise of the shareholders' voting and other rights.

The registration of attendance, proxy and voting cards shall commence two (2) hours before the scheduled time of the General Shareholders' Meeting.

For the purpose of verifying the identity of shareholders or their valid representatives, attendees may be asked for proof of identity on entry to the Shareholders' Meeting, presenting their National Identity Document or any other official document generally accepted for these purposes.

Representation

Any shareholder entitled to attend may be represented by a proxy, who need not be a shareholder.

If the name of the proxy is left blank on the proxy form received by the Company, it will be presumed granted in favour of the Chairman of the Board or, in his absence, the Secretary of the AGM.

The voting instructions shall be set out in proxy forms. If the corresponding instruction boxes are not marked, the represented shareholder will be deemed to have issued specific instructions to vote for the proposed resolutions submitted by the Board.

Save otherwise indicated by the represented shareholder, the proxy will be deemed extended to proposed resolutions not submitted by the Board of directors or any business which, although not included on the agenda, may lawfully be put to the vote at the General Shareholders' Meeting. In this case, unless otherwise indicated by the represented shareholder, the latter will be deemed to have issued specific instructions to vote against the proposal.

Pursuant to Articles 523 and 526 of the Companies Act, the Board of Directors informs shareholders as follows: (i) the Chairman of the Board of Directors and other Board members may be in a potential conflict of interest in respect of items Second (*Review and approval, if appropriate, of the management of the Board of Directors of Repsol YPF, S.A. during 2011*) and Fifteenth (*Advisory vote on the Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for 2011*) on the Agenda; (ii) the Directors whose re-election is proposed in items Seventh (*Re-election of Mr Isidro Fainé Casas as Director*) and Eighth (*Re-election of Mr Juan María Nin Génova as Director*) on the Agenda are in a conflict of interest in respect of those items; and (iii) if one or some of the proposals contemplated in the Companies Act, Art. 526, section b. (removal) or c. (exercise of a corporate action for liability), the director or directors affected by those proposals shall be in a conflict of interest for the voting thereof.

The shareholder shall notify the designated representative in writing or by electronic means of the proxy granted in his favour. If the proxy is granted in favour of a member of the Board of Directors, notification shall be deemed made upon receipt by the Company of the proxy documents.

The shareholder shall also notify the Company, in writing or by electronic means, of both the appointment of a proxy and revocation, if appropriate.

The Company shall be notified of the appointment of a proxy as follows: (i) by post, sending the attendance, proxy and proxy vote to the Shareholder Information Office; (ii) online, when the shareholder grants the proxy via the Company's website (www.repsol.com); or (iii) in person, upon presentation by the proxy of the attendance, proxy and voting card for inclusion in the shareholder entry register on arrival at the time and place indicated for the Shareholders' Meeting.

Personal attendance at the Shareholders' Meeting by any shareholder who has granted a proxy, or exercise by that shareholder of distance voting, by electronic means or by post, shall automatically revoke the appointment of the designated proxy.

Information right

In addition to the provisions of Articles 197 and 520 of the Companies Act, from the date of publication of this notice of call to the date of the General Shareholders' Meeting, the following documents shall be permanently posted on the Company's website (www.repsol.com), save in the event of force majeure or technical impossibility beyond its control:

1. The notice of call to the Ordinary General Shareholders' Meeting.
2. The total number of shares and voting rights existing at the date of the meeting.
3. The Annual Financial Statements of Repsol YPF, S.A. and the Consolidated Annual Financial Statements of the Repsol YPF Group for the year ended 31 December 2011.

4. The Auditors' Report on the Annual Financial Statements of Repsol YPF, S.A. and the Consolidated Annual Financial Statements of the Repsol YPF Group for the year ended 31 December 2011.
5. The Management Report of Repsol YPF, S.A. and the Consolidated Management Report of the Repsol YPF Group for the year ended 31 December 2011.
6. The Directors' liability statement contemplated in Article 35 of the Securities Market Act which, together with the documents indicated in the preceding three points, make up the Company's Annual Report for the year ended 31 December 2011.
7. The text of the proposed resolutions corresponding to the items on the agenda and the reports by the Board of Directors on each of the proposed resolutions corresponding to the items on the Agenda.
8. The currently valid recast texts of the Bylaws, Regulations of the General Shareholders' Meeting and Regulations of the Board of Directors.
9. The Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for the year ended 31 December 2011.
10. The Annual Report on Corporate Governance for the year ended 31 December 2011.
11. The Activity Report of the Audit and Control Committee for the year ended 31 December 2011.
12. The Corporate Responsibility Report for the year ended 31 December 2011.
13. The attendance, proxy and voting standard form for the Ordinary General Shareholders' Meeting.
14. The reports by the Nomination and Compensation Committee and the independent expert contemplated in Article 22.2 (b) of the Regulations of the Board of Directors on related party transactions authorized by the Board under indent (c) of that article.

As from the date of publication of the notice of call, shareholders may examine at the registered office (Paseo de la Castellana 278, 28046 Madrid) or request immediate delivery or remittance, free of charge (by e-mail with acknowledgement of receipt if the shareholder accepts this method) copies of all the documents listed in paragraphs 1 - 14 above for or related with the Ordinary General Shareholders' Meeting.

In addition, from the publication of this notice up to the seventh calendar day (inclusive) prior to the date of the General Meeting, shareholders may request in writing further information or clarifications or submit such questions as they may deem fit in respect of the items on the agenda. In the same form and time, shareholders may request written explanations on (i) the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders' Meeting, i.e. since 15 April 2011; and (ii) the Auditors' Reports on the Annual Financial Statements of Repsol YPF, S.A. and the Consolidated Annual Financial Statements of the Repsol YPF Group for the year ended 31 December 2011.

Distance voting and proxies prior to the general shareholders' meeting

1. Voting by distance communication prior to the General Shareholders' Meeting

Pursuant to Article 23 of the Bylaws and Article 7 of the Regulations of the General Shareholders' Meeting, shareholders entitled to attend may vote through distance communication on the proposals regarding the items on the Agenda prior to the date of the General Meeting, provided the identity of the voting shareholder is duly guaranteed.

1.1 Means for distance voting

The means of communication valid for distance voting are as follows:

i. Postal vote

To vote by post on the items on the Agenda, shareholders must complete and sign the "Distance Voting" section of the attendance, proxy and voting card issued by the member of IBERCLEAR with which they have deposited their shares or duly complete the model card available on the Company's website (www.repsol.com) and at the Shareholder Information Office.

Once the appropriate section of the card has been completed and signed -with a handwritten signature-, the shareholder must send it to the Company, for the attention of the Shareholder Information Office at Paseo de la Castellana 278, 28046 Madrid.

ii. Electronic vote

Shareholders may vote on the items on the Agenda for the Shareholders' Meeting through the Company's web site (www.repsol.com), entering the AGM 2012 page and following the procedure established there, provided the shareholder has an electronic DNI (national identity document) or a recognised or advanced electronic signature, based on a recognised, valid electronic certificate issued by *Entidad Pública de Certificación Española* (CERES), of *Fábrica Nacional de Moneda y Timbre*, and uses one of these means to identify himself.

1.2 Specific rules for distance voting

i. Voting indications

If the shareholder sending a distance vote fails to mark any of the boxes provided for any of the items on the Agenda, he will be presumed to vote for the Board's proposal.

ii. Receipt by company

In order to be valid, postal or electronic votes must be received by the company no later than 09:00 on 29 May 2012. After this time, the Company will only accept the votes cast at the General Meeting.

2. Distance proxies

Pursuant to Article 24 of the Bylaws and Article 8 of the Regulations of the General Shareholders' Meeting, shareholders entitled to attend may grant a proxy through distance communication for voting on the proposals regarding the items on the Agenda prior to the date of the General Meeting, provided the identity of the voting shareholder is duly guaranteed.

2.1 Means for granting proxies

The means of communication valid for distance proxies are as follows:

i. Postal proxy

To grant proxies by post, shareholders must complete and sign the "Proxy" section of the attendance, proxy and voting card issued by the member of IBERCLEAR with which they have deposited their shares or duly complete the model card available on the Company's website (www.repsol.com) and at the Shareholder Information Office.

This section must be signed -with a handwritten signature- by the shareholder and sent to the Company, for the attention of the Shareholder Information Office at Paseo de la Castellana 278, 28046 Madrid, or to the designated proxy for presentation at the General Shareholders' Meeting.

ii. Electronic proxy

Shareholders may grant proxies through the company's web site (www.repsol.com), entering the AGM 2012 page and following the procedure established there, provided the shareholder has an electronic DNI (national identity document) or a recognised or advanced electronic signature, based on a recognised, valid electronic certificate issued by *Entidad Pública de Certificación Española* (CERES), of *Fábrica Nacional de Moneda y Timbre*, and uses one of these means to identify himself.

2.2 Specific rules for proxies

Distance proxies will be subject to the general rules established for representation at Shareholders' Meetings in respect of (i) blank proxies received by the Company; (ii) the issuing of specific voting instructions, consisting of voting in favour of the proposed resolutions submitted by the Board of Directors if the voting instruction boxes are not marked; (iii) extension of the proxy to proposed resolutions not submitted by the Board of Directors and any business not included on the Agenda that may be transacted at the Shareholders' Meeting; and voting instructions in those cases; and (iv) the necessary notification to the designated representative of the proxy granted in his favour, or revoked, as the case may be.

In order to be valid, postal or electronic proxies must be received by the company no later than 09:00 on 29 May 2012. After this time, the Company will only accept the proxies made in writing on the attendance, proxy and voting cards presented for inclusion in the shareholder entry register on arrival at the time and place indicated for the Shareholders' Meeting.

At the date and place of the General Shareholders' Meeting, proxies must prove their identity, showing their National Identity Document or any other official document generally accepted for these purposes, together with the attendance, proxy and voting card or a print-out of the electronic proof of proxy, as the case may be, so that the company can confirm the proxy granted.

3. Rules common to distance voting and distance proxies

i. Confirmation of distance vote or distance proxy

The validity of votes cast and proxies granted through distance communication is subject to checking of the particulars supplied by the shareholder against those contained in the file supplied by IBERCLEAR. In the event of any discrepancy between the number of shares indicated by the shareholder in the proxy form or distance voting form and those indicated in the aforesaid file, the number of shares indicated by IBERCLEAR will prevail for the purposes of quorum and voting.

ii. Rules of priority

Personal attendance of the general meeting by a shareholder who has previously granted a proxy or voted through distance communication, by whatsoever means used, will render that distance proxy or vote void.

If a shareholder validly issues both a distance vote and a proxy, the former will prevail. Similarly, electronic votes and proxies will prevail over those sent by post.

Electronic votes and proxies may be rendered void through express revocation by the shareholder through the same means.

iii. Other provisions

The Company reserves the right to modify, suspend, cancel or restrict the electronic voting and proxy mechanisms for technical or security reasons. The Company further reserves the right to request additional identification from shareholders as and when it may so deem fit to guarantee the identity of those concerned, the authenticity of the vote or proxy and, in general, the legal certainty of the General Shareholders' Meeting.

The Company will not be responsible for any damages caused to shareholders through unavailability or failure in the maintenance and effective functioning of its website and the services and contents provided through such site, or for any faults, overrun, overload, fallen lines, connection faults or whatsoever other similar incidents beyond the company's control, which prevent use of the electronic voting and proxy mechanisms.

Electronic voting and proxy mechanisms will be available online from 30 April 2012 to 09:00 on 29 May 2012.

In any aspects not expressly contemplated in these procedures, the General Conditions set out in the Legal Notice on the company's web site will be applicable.

Presence of notary

The Board of Directors has requested the presence of a Notary to take the minutes of the General Shareholders' Meeting.

Electronic shareholders forum

In pursuance of Article 539.2 of the Companies Act and as of the date of the notice of call to the General Shareholders' Meeting, the Company has enabled an Electronic Shareholders' Forum on its website (www.repsol.com), accessible with due guarantees by both individual shareholders and any voluntary associations that may be formed in accordance with current regulations, to facilitate communication prior to the General Shareholders' Meeting.

Proposals to supplement the Agenda as it appears in the notice of call, requests for support for those proposals, initiatives to reach a sufficient percentage to exercise a minority shareholders' right contemplated in law and offers of or requests for voluntary representation may all be published in the Forum.

The Forum is not a communication channel between the Company and its shareholders and is enabled for the sole purpose of facilitating communication among the Company's shareholders prior to the Shareholders' Meeting.

To enter the Forum, shareholders must obtain a specific password on the Company's website (www.repsol.com), following the instructions and terms of use of the Forum established within the section on the 2012 AGM. Participants will generally obtain clearance to obtain the password using their electronic DNI or a recognised or advanced electronic signature, based on a recognised, valid electronic certificate issued by *Entidad Pública de Certificación Española* (CERES), of *Fábrica Nacional de Moneda y Timbre*.

General information

Any personal data of shareholders supplied to the Company on exercise or delegation of attendance and voting rights at the Shareholders' Meeting shall be used by the Company, under its own responsibility, to develop, control and manage the shareholding relationship and comply with its legal obligations. For this reason, the particulars shall be provided to the Notary issuing the minutes of the General Shareholders' Meeting.

These data may also be used by the Company to send shareholders, through any means, commercial information on the oil and gas sector, unless the shareholder expresses his objection within thirty (30) days after the Shareholders' Meeting (calling the freephone number 900 100 100), if no opposition is received by the end of that period, the shareholders will be considered to have granted his consent.

Shareholders' rights of access, rectification, deletion and objection (e.g. when they no longer wish to receive commercial information on the oil & gas sector) may be exercised on the terms prescribed by law, sending written notification to the Company at its registered office, Paseo de la Castellana 278, 28046 Madrid.

If personal details of other individuals are included in the attendance, delegation and distance voting card, the shareholder must inform those individuals of the indications of the preceding paragraphs and meet any other requests that may be applicable for a correct transfer of their data to the Company, which need not take any further action in terms of providing information or obtaining consent.

To enable a wider coverage, all or part of the General Shareholders' Meeting may be recorded on video and broadcast through the Company's website. This is deemed accepted by attendees on entering the venue of the Shareholders' Meeting.

Foreseeable effective date of the shareholders' meeting

It is expected to hold the General Shareholders' Meeting on **SECOND CALL**, that is, on 31 May 2012, at the place and date indicated above. Otherwise, due notice will be given sufficiently in advance in an announcement published in the daily press and on the Company's website (www.repsol.com).

Madrid, April 19th, 2012

Luis Suárez de Lezo Mantilla

Director Secretary of the Board of Directors

Ordinary shareholders' meeting 2012 Resolution proposals

Resolution proposal related to the first point of the Agenda ("Revision and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol YPF, S.A., of the Consolidated Annual Financial Statements and the Consolidated Management Report, corresponding to the fiscal year ended 31st December 2011, and of the proposal of application of its earnings").

First. To approve the Annual Financial Statements (Balance Sheet, Profit and Loss Account, Statement of Changes on Equity, Cash Flow Statement and Notes to the Accounts) and the Management Report of Repsol YPF, S.A. corresponding to the fiscal year ending on the 31st of December 2011, as well as the Consolidated Financial Statements and the Consolidated Management Report corresponding to the same fiscal year.

Second. To approve the proposal of distribution of earnings of Repsol YPF, S.A. corresponding to the fiscal year 2011, consisting of a profit of €1,608,038,366.06, distributing said amount in the following way:

The amount of €634,543,785.06 will be assigned to the payment of dividends. Said amount has already been paid as interim dividends prior to this General Meeting.

The amount of €973,494,581.00 will be allocated to the provisions for the Company's voluntary reserves.

Resolution proposal related to the second point of the Agenda ("Revision and approval, if appropriate, of the management of the Board of Directors of Repsol YPF, S.A. corresponding to the fiscal year 2011.")

To approve the management of the Board of Directors of Repsol YPF, S.A. corresponding to the fiscal year 2011.

Resolution proposal related to the third point of the Agenda ("Appointment of the Accounts Auditor of Repsol YPF, S.A. and its Consolidated Group for the fiscal year 2012")

To re-elect as Accounts Auditor of Repsol YPF, S.A. and of its Consolidated Group, for the fiscal year 2012, the company Deloitte, S.L., with registered office in Madrid, Plaza Pablo Ruiz Picasso, number 1 (Torre Picasso) and Tax ID number B-79104469, registered in the Official Registry of Auditors of Spain with number S-0692, and registered in the Mercantile Registry of Madrid, in volume 13.650, sheet 188, section 8, page M-54414. They are equally entrusted with carrying out other auditing services required by Law that may be specified by the Company until the next General Shareholders' Meeting.

Proposed resolution corresponding to Item Fourth on the Agenda (“Modification of Articles 19, 20, 28 and 47 and addition of a new Article 45bis of the Bylaws; and modification of Articles 5, 6, 8 and 14 of the Regulations of the General Shareholders’ Meeting to adjust the Company’s corporate governance regulations to the recent changes in law”)

One. Modification of Article 19 of the Bylaws (Notice of Call)

To re-draft Article 19 of the Company’s Bylaws as follows:

“Article 19. Notice of Call

Ordinary and Extraordinary shareholders’ meetings shall be called by the Board in a notice published as stipulated in law and in these Bylaws at least one month prior to the date of the meeting, unless longer notice is required by law, in which case the legal provisions shall be heeded. The notice of call shall be published at least in the following media: (i) the Official Gazette of the Commercial Registry or one of the daily newspapers having the largest circulation in Spain; (ii) the website of the National Securities Market Commission (CNMV); and (iii) the Company’s website. The notice published on the Company’s website shall be permanently available at least up to the date of the Shareholders’ Meeting. The Board of Directors may also publish announcements in other media, if considered appropriate to give the notice of call greater publicity.

The notice of call shall contain the details required by law and shall at least state the name of the Company, the date and time of the meeting on first call, all the business to be transacted and the position of the person or persons calling the meeting. It may also contain the date and time for holding the meeting on second call, if necessary. In this case, there must be at least twenty-four hours between the first and second calls. The notice of call shall also indicate the date as of which shareholders must have registered in their name the shares entitling them to attend and vote at the Shareholders’ Meeting, how and where copies of the full text of the documents and proposed resolutions can be obtained and the address of the Company’s website where the information is available.

In addition, the notice shall contain clear, precise details of the procedures for attending and voting at the General Shareholders’ Meeting, with particular mention of the following:

- a. The right to request information, include new items on the agenda and submit proposals for resolutions, and the time within which these rights may be exercised. If it is stated that more detailed information on these rights is available on the Company’s website, the notice may merely indicate the time for exercising them.*
- b. The procedure for proxy voting, with special mention of the forms to be used for proxy voting and the means to be used for the company to accept electronic notification of the proxies granted.*
- c. The procedures established for distance voting, whether postal or electronic.*

The General Shareholders’ Meeting will be held at the venue indicated in the notice of call within the city in which the Company has its registered office. However, the meeting may be held anywhere else in the national territory if so indicated by the Board of Directors in the notice of call.

If the duly called Shareholders’ Meeting is not held on first call and no date has been specified for second call, the second meeting shall be called subject to the same publicity requirements within fifteen days after the inquorate meeting and at least ten days prior to the date of the meeting on second call.

Pursuant to Article 519 of the Companies Act, shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda, provided the new items are accompanied by a justification or, where appropriate, a justified proposed resolution. This right shall be exercised by sending attested notice proving that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice shall be published at least fifteen days prior to the date scheduled for the meeting”.

Two. Modification of Article 20 of the Bylaws (Power and obligation to call shareholders’ meetings)

To re-draft Article 20 of the Company’s Bylaws as follows:

“Article 20. Power and obligation to call shareholders’ meeting

The Board may call Extraordinary Shareholders’ Meetings whenever this is considered in the interests of the company.

Shareholders’ meetings shall also be called whenever requested by shareholders representing at least five per cent (5%) of the capital, stating in their request the business to be transacted. In this case, the Board shall call the shareholders’ meeting to be held within two months of being so required through notarial channels.

The Board shall draw up the agenda, necessarily including the items stated in the request”.

Three. Modification of Article 28 of the Bylaws (Right to Information)

To re-draft Article 28 of the Company’s Bylaws as follows:

“Article 28. Right to information

From the publication of this notice up to the seventh calendar day (inclusive) prior to the date of the Shareholders’ meeting, shareholders may request in writing such further information or clarifications or submit such written questions as they may deem fit in respect of the items on the agenda. In the same form and time, shareholders may request in writing such explanations as they may deem fit on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders’ Meeting and the Auditors’ Report.

The Board shall provide such information in writing up to the date of the Shareholders’ Meeting.

During the Shareholders’ Meeting, shareholders may orally request such information or clarifications as they may deem fit on the business included on the agenda or request such explanations as they may deem fit on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders’ Meeting and the Auditors’ Report. If it is not possible to provide the requested information at that time, the board will be obliged to provide the information in writing within seven days after the end of the Shareholders’ Meeting.

The Board will be obliged to provide any information requested in pursuance of this article, unless, in the opinion of the chairman, publicising of the information requested could be detrimental to corporate interests. Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

The Board will not be obliged to answer specific questions from the shareholders when, before those questions are asked, the information requested is clearly and directly available to all shareholders on the Company’s website, in the FAQ section”.

Four. Addition of a new Article 45bis (Report on the Remuneration Policy for Directors)

To draft a new Article 45bis of the Company’s Bylaws with the following wording:

“Article 45bis. Report on the Remuneration Policy for Directors

The Board will approve each year a Report on the Remuneration Policy for Directors, which will contain full, clear, comprehensible information including (i) a brief, overall account of the application of that policy in the previous year, incorporating details of the individual remunerations accrued by each of the Directors during that year, and references to (ii) the policy approved by the board for the present year, and (iii) the policy foreseeable for future years, if any.

This report shall be made available to shareholders as from the date of call to the Ordinary General Shareholders’ Meeting and shall be put to an advisory vote under a separate item on the agenda”.

Five. Modification of Article 47 of the Bylaws (Website)

To re-draft Article 47 of the Company’s Bylaws as follows:

“Article 47. Website

The Company shall have a web site containing information for shareholders, including the documents and information stipulated in law, and at least the following:

- 1. The Bylaws.*
- 2. The Regulations of the General Shareholders’ Meeting.*
- 3. The Regulations of the Board of Directors and the Regulations of the Board Committees, if any.*
- 4. The Annual Report.*
- 5. The Internal Conducts Regulations on the Securities Market.*
- 6. The corporate governance reports.*
- 7. The annual reports on the remuneration policy for directors of Repsol YPF, S.A.*
- 8. From the date of publication of the notice of call up to the date of the Shareholders’ Meeting, the following information for the Shareholders’ Meeting shall be permanently available: (i) the notice of call; (ii) the total number of shares and voting rights existing at the date of the meeting, by classes of shares, if any; (iii) the documents to be submitted to the Shareholders’ Meeting,*

particularly the reports by directors, auditors and independent experts; (iv) the full texts of the proposed resolutions or, if they are not available, a report by the competent bodies, commenting on each of the items on the agenda and any justified proposed resolutions submitted by shareholders, as and when they are received; (v) the forms to be used for proxy and distance voting, unless the Company sends them directly to each shareholder; and (vi) any relevant information that shareholders may need in order to vote.

9. Within five days after each Shareholders' Meeting, information on the procedure of the Shareholders' Meetings held and, in particular, the composition of attendees at the beginning of the Shareholders' Meeting, resolutions adopted, indicating the voting results on each of the proposals included on the agenda. The following information shall be given for each resolution put to the vote: the minimum number of shares in respect of which valid shares have been cast, the proportion of the capital represented by those votes, the total number of votes cast, the proportion of capital represented by those votes, the total number of valid votes, the number of votes for and against each resolution and the number of abstentions, if any.
10. The communication channels existing between the Company and the shareholders and, in particular, the pertinent instructions for exercising the shareholders' right to information, indicating the postal and electronic addresses that shareholders may contact.
11. The means and procedures for granting proxies for the Shareholders' Meeting.
12. The means and procedures for distance voting, including the forms, if any, for proving attendance of Shareholders' meetings by using electronic means.
13. Significant events notified to the National Securities Market Commission (CNMV).
14. The following information on the Directors: (i) professional and biographic profile, (ii) list of other directorships they hold, (iii) indication of the type of director, indicating, in the case of proprietary directors, the shareholder they represent or with which they have ties, (iv) date of first appointment as company directors, and subsequent appointments, and (v) company shares and stock options they hold.

Shareholders will be entitled to free access to the Company's website and may download and print the information and documents posted.

The address of the Company's website shall be www.repsol.com.

The Board of Directors may resolve to modify, move or eliminate the website, in which case it will be authorized to modify the preceding paragraph of this article. The resolution to modify, move or eliminate the website shall be entered in the Company's page of the Commercial Registry and published in the Official Gazette of the Commercial Registry and on the modified, moved or eliminated website for thirty days after insertion of the resolution."

Six. Modification of Article 5 of the Regulations of the General Shareholders' Meeting (Notice of call)

To re-draft Article 5 of the Regulations of the General Shareholders' Meeting as follows:

"5. NOTICE OF CALL

5.1 Ordinary and Extraordinary Shareholders' Meetings shall be called by the Board in a notice published as stipulated in law and in the Bylaws at least one month prior to the date of the meeting, unless longer notice is required by law, in which case the legal provisions shall be heeded. The notice of call shall be published at least in the following media: (i) the Official Gazette of the Commercial Registry or one of the daily newspapers having the largest circulation in Spain; (ii) the website of the National Securities Market Commission (CNMV); and (iii) the Company's website. The notice published on the Company's website shall be permanently available at least up to the date of the Shareholders' Meeting. The Board of Directors may also publish announcements in other media, if considered appropriate to give the notice of call greater publicity.

The General Shareholders' Meeting will be held at the venue indicated in the notice of call within the city in which the Company has its registered office. However, the meeting may be held anywhere else in Spain if so indicated by the Board of Directors in the notice of call.

The notice of call shall state the name of the Company, the date and time of the meeting on first call, all the business to be transacted and the position of the person or persons calling the meeting. It shall also contain the date and time for holding the meeting on second call, if necessary. There must be at least twenty-four hours between the first and second calls. The notice of call shall also indicate the date as of which shareholders must have registered in their name the shares entitling them to attend and vote at the Shareholders' Meeting, how and where copies of the full text of the documents and proposed resolutions can be obtained and the address of the Company's website where the information is available. In addition, the notice shall contain clear, precise details of the procedures for attending and voting at the General Shareholders' Meeting, with particular mention of the following:

- a. The right to request information, include new items on the agenda and submit proposals for resolutions, and the time within which these rights may be exercised. If it is stated that more detailed information on these rights is available on the Company's website, the notice may merely indicate the time for exercising them.
- b. The procedure for proxy voting, with special mention of the forms to be used for proxy voting and the means to be used for the company to accept electronic notification of the proxies granted.
- c. The procedures established for distance voting, whether postal or electronic.

If the duly called Shareholders' Meeting is not held on first call and no date has been specified for second call, the second meeting shall be called subject to the same publicity requirements within fifteen days after the inquorate meeting and at least ten days prior to the date of the meeting on second call.

A copy of the notice of call shall also be sent to the stock exchanges on which the shares are listed and the depositaries of shares so that they can issue the attendance cards.

5.2. The Board shall call an Extraordinary Shareholders' Meeting whenever so requested by shareholders holding at least five per cent (5%) of the capital, stating the business to be transacted. In this case, the board shall call the shareholders' meeting within two months of being so required through notarial channels.

5.3. Pursuant to Article 519 of the Companies Act, shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda, provided the new items are accompanied by a justification or, where appropriate, a justified proposed resolution. This right shall be exercised by sending attested notice proving that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice shall be published at least fifteen days prior to the date scheduled for the meeting.

5.4. In addition to the information required by law or the Bylaws, as from the date of publication of the notice of call to the Shareholders' Meeting, the company shall publish on its web site the text of all proposed resolutions submitted by the board in connection with the items on the agenda, including the information contemplated in section 14 of the Article 47 of the Bylaws whenever proposals are submitted for the appointment of directors. An exception may be made to this rule for proposals which the law and Bylaws do not require to be made available to shareholders as from the notice of call, if the Board considers there are justified grounds for not doing so.

If a supplementary notice of call is published, the Company shall thereafter publish on its website the text of the justified proposals for resolutions contained in that supplementary notice, provided they have been sent to the Company".

Seven. Modification of Article 6.2 of the Regulations of the General Shareholders' Meeting (Shareholders' right to attend and to information)

To re-draft Article 6.2 of the Regulations of the General Shareholders' Meeting, without any amendment to the other sections of that article, as follows:

"6.2. Up to seven days prior to the date on which the Shareholders' Meeting is to be held, shareholders may, through the Shareholder Information Office and after proving their shareholder status, request the Board to provide such information or explanations as they may consider necessary regarding the business included on the agenda, or submit such written questions as they may deem fit. Shareholders may also request in writing such explanations as they may consider necessary regarding the information available to the public supplied by the company to the National Securities Market Commission since the last Shareholders' Meeting and on the Auditors' Report.

The Board shall provide such information in writing up to the date of the Shareholders' Meeting.

During the Shareholders' Meeting, shareholders may orally request such information or clarifications as they may deem fit on the business included on the agenda or request such explanations as they may deem fit on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders' Meeting and the Auditors' Report. If it is not possible to provide the requested information at that time, the Board will be obliged to provide the information in writing within seven days after the end of the Shareholders' Meeting.

The Board will be obliged to provide any information requested in pursuance of this Article 6.2, unless, in the opinion of the Chairman, publicising of the information requested could be detrimental to corporate interests.

Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

The Board will not be obliged to answer specific questions from the shareholders when, before those questions are asked, the information requested is clearly and directly available to all shareholders on the Company's website, in the FAQ section".

Eight. Modification of Article 8 of the Regulations of the General Shareholders' Meeting (Proxies)

To re-draft Article 8 of the Regulations of the General Shareholders' Meeting, as follows:

"8. PROXIES

8.1. Any shareholder entitled to attend a Shareholders' Meeting may be represented by a proxy, who does not need to be a shareholder.

One proxy may represent more than one shareholder, without any limitation on the number of shareholders represented. When one proxy represents several shareholders, he may vote differently according to the instructions issued by each one.

Proxies shall be made in writing or by any form of distance communication, provided that the identity of the parties is duly guaranteed and subject to whatever procedures may be established in law for this purpose. Proxies shall be granted specially for each Shareholders' Meeting, save as provided in section 187 of the Companies Act.

The Board shall establish for each Shareholders' Meeting the most adequate procedure for granting proxies through distance communication, in view of the legal provisions in force from time to time and the current state of technology. This procedure shall be described in detail in the notice of call. The documents containing the proxies or delegations for the Shareholders' Meeting shall also include the voting instructions. If the corresponding instruction boxes are not marked, the represented shareholder will be deemed to have issued specific instructions to vote for the proposed resolutions submitted by the Board on the items on the agenda. If the name of the proxy is left blank on the proxy form received by the Company, it will be presumed granted in favour of the Chairman of the Board. The shareholder's proxy may appoint a substitute to exercise the voting right in any conflict of interest.

If the voting instructions issued make no mention of business which, although not included on the agenda, is transacted at the shareholders' meeting, being so permitted by law, the proxy shall vote on such matters howsoever he may consider most favourable to the interests of his principal.

The proxy shall keep the voting instructions and proxy document for one year after the date of the corresponding Shareholders' Meeting.

8.2. Prior to his appointment, the proxy shall inform the shareholder in detail of any conflict of interest. If the conflict arises after his appointment and he has not advised the represented shareholder of its possible existence, he shall inform the shareholder immediately. In both cases, if no new instructions are issued for each of the items on which the proxy is to vote on behalf of the shareholder, he shall abstain from voting.

There may be a conflict of interest for the purposes of this article, in particular, when the proxy is in any of the following situations:

- a. If he is a controlling shareholder of the Company or of an undertaking controlled by that controlling shareholder.
- b. If he is member of the Board, management or supervisory bodies of the company, controlling shareholder or an undertaking controlled by the latter. If he is a director, the provisions of Article 8.3 will be applicable.
- c. If he is an employee or auditor of the Company, controlling shareholder or an undertaking controlled by the latter.
- d. If he is an individual related party to the foregoing. Related individuals shall be: the spouse or someone who has been the spouse in the previous two years, or common-law partner or someone who has been living with the proxy in the previous two years, and the ascendants, descendants, peers and their respective spouses.

8.3. In addition to fulfilling the duties contemplated in 8.2 above, if the Company directors or any other person acting on behalf or in the interests of any one of the directors has filed a public request for representation, the director who obtains such representation may not exercise the voting right corresponding to the shares represented in respect of any items on the agenda in which he is in conflict of interest, unless he has received precise voting instructions from the represented shareholder for each of those items. Directors shall be considered in conflict of interest in respect of at least the following decisions:

- a. Their appointment, re-election or ratification as director.
- b. Their removal as director.
- c. Bringing a corporate liability action against them.

d. The approval or ratification, where appropriate, of the Company's transactions with the relevant director, companies he controls or those represented by the director or persons acting on his behalf.

e. Release of the director from the obligation of no competition.

The proxy form may also include any points which, although not included on the agenda for the meeting, are lawfully transacted at the Shareholders' Meeting, the provisions of this section also being applicable in those cases".

Nine. Modification of section forth of Article 14 of the Regulations of the General Shareholders' Meeting (Voting on proposed resolutions)

To redraft Article 14 (iv) of the Regulations of the General Shareholders' Meeting, without any amendment to the other sections of that article, as follows:

"(iv) The shares of shareholders who have participated in the Shareholders' Meeting by distance voting prior to the date thereof shall not be considered present or represented for voting on resolutions concerning business not included on the agenda. Moreover, shares in respect of which voting rights cannot be exercised pursuant to Article 526 of the Companies Act shall not be considered represented or present for voting on any of the resolutions contemplated therein".

Proposed resolution corresponding to item fifth on the Agenda ("Modification of Articles 27, 32, 37, 39 and addition of a new Article 45ter of the Bylaws to improve the functioning of the Board of Directors and other aspects of the Company's corporate governance")

One. Modification of Article 27 of the Bylaws (Discussion and adoption of resolutions)

To re-draft Article 27 of the Bylaws as follows:

"Article 27. Discussion and adoption of resolutions

Once the meeting has been declared open, the secretary shall read out the items on the agenda.

Following the report by the Chairman of the Board and any persons he may have authorized to speak, the Chairman will give the floor to any shareholders who so request, directing the debate and confining it to the agenda, save as provided in Articles 223.1 and 238 of the Companies Act. The Chairman will close the debate when he considers the subject sufficiently discussed, and will then put the proposed resolutions to the vote.

Resolutions shall be adopted by the majority of the voting capital present and represented at the Shareholders' Meeting, save as otherwise provided in law or these Bylaws.

Voting rights may not be transferred or assigned, not even through the granting of a proxy, in exchange for any financial benefit or consideration".

Two. Modification of Article 32 of the Bylaws (Qualitative Composition of the Board)

To re-draft Article 32 of the Bylaws as follows:

"Article 32. Qualitative composition of the Board

The Board shall consist of the following types of director:

- a. Executive directors: those performing executive or senior management duties within the company. Any directors who have permanently been delegated general powers of the board and/or are bound by top management or service contracts to provide full-time executive services shall be considered executive directors.
- b. Non-executive proprietary directors: those proposed by holders of significant stable interests in the capital of the company, representing a strategic value for the latter.
- c. Non-executive independent directors: those not included in the other two categories, appointed on the strength of their recognised personal and professional standing and their experience and expertise in the corresponding duties, having no connection with the management or majority shareholders. Non-executive independent directors may not remain in office as such for a period of more than twelve years.

Notwithstanding the sovereignty of the shareholders' meeting and efficiency of the proportional system, which is compulsory in any cases of share-pooling contemplated in the Companies Act, the shareholders' meeting, and the board when proposing appointments to the shareholders' meeting and exercising its powers of cooptation to fill vacancies, will endeavour to ensure, in respect of the composition of the board, (i) that the number of non-executive board members

considerably outweighs the number of executive directors; and (ii) that such professional, international and gender diversity policies as may be adequate for the company's business from time to time are applied".

Three. Modification of Article 37 of the Bylaws (Committees of the Board)

To re-draft Article 37 of the Bylaws as follows:

"Article 37. Committees of the Board

The Board may create such executive and advisory committees as it may deem fit to deal with the matters within their competence, appointing the directors who are to sit on such committees.

The Board shall in any case appoint an Audit and Control Committee, on the terms set out in Article 39 of these Bylaws, and a Nomination and Compensation Committee, all the members of which shall be non-executive directors and the majority shall be non-executive independent directors".

Four. Modification of the first paragraph of Article 39 of the Bylaws (Audit and Control Committee)

To re-draft the first paragraph of Article 39 of the Bylaws, without any amendment to the other sections of that article, as follows:

"The company will have an Audit and Control Committee, consisting of at least three directors appointed by the board, who will have sufficient capacity, experience and dedication to perform the corresponding duties. All the members of this committee will be non-executive independent directors. At least one of its members will be appointed taking into consideration their knowledge and experience in matters of accounting, auditing or both. One of such members will be appointed chairman of the committee, who will be replaced every four years, becoming eligible for re-election one year after retirement from the position".

Five. Addition of a new Article 45ter of the Bylaws (External assessment of the Board)

To draft a new Article 45ter of the Bylaws with the following text:

"Article 45ter. External Board assessment

With the frequency it shall determine and at least once every three years, the Board shall commission an external assessment of its performance to an independent specialised firm. This assessment shall include an analysis of the composition, organization and functioning of the Board as a body corporate and an evaluation of the competence and efficiency of each of its committees and members, particularly including the Chairman".

Proposed resolution corresponding to item sixth on the Agenda ("Modification of Article 22 and addition of new Articles 22bis and 44bis of the Bylaws; and modification of Articles 3, 9 and 13 of the Regulations of the General Shareholders' Meeting to reinforce the protection of the Company against conflicts of interest")

One. Modification of Article 22 of the Bylaws (Special resolutions, quorums and voting majorities)

To re-draft Article 22 of the Bylaws as follows:

"Article 22. Special resolutions, quorums and voting majorities

In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

Special resolutions shall be required, adopted with the favourable votes of seventy-five per cent (75%) of the voting capital attending the shareholders' meeting, on both first and second call, to validly adopt resolutions on the following matters:

- a. *modification of Articles 22bis and 44bis of the Bylaws concerning related party transaction and the prohibition of competition by directors, or this special rule;*
- b. *authorization of related party transactions in the cases contemplated in Article 22bis of the Bylaws; and*
- c. *waiving a director from his no competition obligation pursuant to Article 44bis of the Bylaws".*

Two. Addition of a new Article 22bis of the Bylaws (Related party transactions)

To draft a new Article 22bis of the Bylaws with the following wording:

"Article 22bis. Related party transactions

Transactions made directly or indirectly by the Company with directors, majority shareholders represented on the Board or persons related to them (i) for an amount exceeding 5% of the Group's assets according to the latest consolidated annual financial statements approved by the General Shareholders' Meeting; (ii) in respect of strategic assets of the Company; (iii) involving a transfer of significant technology of the Company; or (iv) intended to establish strategic alliances and are not merely agreements for actions under or execution of previously established alliances; may only be concluded if they meet the following conditions:

- a. *the transaction is fair and efficient for the Company's interests;*
- b. *after obtaining the corresponding report from an independent expert renowned in the financial community indicating that the related party transaction is made on reasonable, arm's length terms, the Nomination and Compensation Committee issues a report on its fulfilment of the requirement stipulated in paragraph (a) above; and*
- c. *the Shareholders' Meeting authorizes the related party transaction with the favourable votes of seventy-five per cent (75%) of the capital present and represented at the Shareholders' Meeting. This notwithstanding, whenever it is considered advisable, for reasons of opportunity, not to wait for the next General Shareholders' Meeting, the transaction may be approved by the Board of Directors, provided that (i) the report by the Nomination and Compensation Committee contemplated in paragraph (b) above is favourable for the transaction, and (ii) the resolution is adopted with the favourable votes of at least two-thirds of the Board members who are not affected by a conflict of interest. In this case, the Board shall report on the terms and conditions of the transaction at the next Shareholders' Meeting held thereafter.*

When calling a Shareholders' Meeting at which authorization of a related party transaction is to be discussed or reported on, the Board shall make available to the shareholders the reports issued by the Nomination and Compensation Committee and the independent expert contemplated in paragraph (b) above and, should it so deem fit, its own report on the issue.

All other related party transactions shall be submitted to the relevant provisions of the Regulations of the Board of Directors."

Three. Addition of a new Article 44bis of the Bylaws (Prohibition of competition):

To draft a new Article 44bis of the Bylaws with the following wording:

"Article 44bis. Prohibition of competition

Directors may not engage, for their own or third party account, in activities competing with the Company, except in the following circumstances:

- a. *it is reasonably foreseeable that the situation of competition will not cause any damage to the Company or that the damage that might foreseeable be caused is offset by the benefit that the Company can reasonably expect to obtain for permitting that situation of competition;*
- b. *after receiving advice from an independent external consultant of good standing in the financial community and after hearing the shareholder or director involved, the Nomination and Compensation Committee issues a report on fulfilment of the requirement contemplated in paragraph (a) above; and*
- c. *the Shareholders' Meeting expressly resolves to lift the prohibition of competition with the favourable votes of seventy-five per cent (75%) of the capital present and represented at the General Shareholders' Meeting.*

When calling a Shareholders' Meeting at which lifting of the prohibition of competition is to be discussed, the Board shall make available to the shareholders the reports issued by the Nomination and Compensation Committee and the independent external consultant contemplated in paragraph (b) above and, should it so deem fit, its own report on the issue. The director involved will be entitled to explain at the Shareholders' Meeting the reasons backing his request for lifting of the prohibition.

The resolutions that the Shareholders' Meeting is called to adopt under this article shall be submitted in a separate item on the agenda.

If the situation of competition arises after the appointment of a director, that director shall immediately step down from office.

For the purposes of this Article:

- a. a person shall be deemed to be engaged for his own account in activities competing with the Company when he performs those activities directly or indirectly through controlled companies as defined in Article 42 of the Commercial Code;
- b. a person shall be deemed to be engaged for third-party account in activities competing with the Company when he has a significant holding or an executive position in a rival company or in another acting in concert with the rival to develop a common policy, and in any case of he has been appointed proprietary director of the company at the request of one of those companies; and
- c. no situation of competition with the Company will be deemed to exist in respect of (i) companies controlled by the Company (as defined in Article 42 of the Commercial Code); and (ii) companies with which Repsol YPF, S.A. has established a strategic alliance, even if they have identical, similar or complementary objects and during such time as the alliance is maintained. Directors or shareholders will not be considered affected by the prohibition of competition for the sole reason of their being proprietary directors in rival companies appointed at the request of the Company or by virtue of the interest held by the Company in their capital.

Nor may directors provide counselling or representation services for rivals of the Company, unless the Board of Directors, after receiving a favourable report from the Nomination and Compensation Committee, authorizes them with the favourable votes of two-thirds of the members not affected by any conflict of interest. If these requirements are not met, the authorization must be granted by the General Shareholders' Meeting".

Four. Modification of Article 3 of the Regulations of the General Shareholders' Meeting (Powers of the Shareholders' Meeting)

To re-draft Article 3 of the Regulations of the General Shareholders' Meeting, as follows:

"3. POWERS OF THE SHAREHOLDERS' MEETING

The shareholders, assembled in a duly called Shareholders' Meeting, shall decide by majority vote on the following matters:

- 3.1. Approval, if appropriate, of the Annual Financial Statements of REPSOL YPF, S.A. and the Consolidated Annual Financial Statements of REPSOL YPF, S.A. and its subsidiaries, the management of corporate affairs by the Board of Directors and the application of earnings.
- 3.2. Appointment and removal of directors and ratification or revocation of provisional appointments of directors made by the board.
- 3.3. Appointment and reappointment of auditors.
- 3.4. Acquisition of treasury stock.
- 3.5. Increase or reduction of capital and any modification of the Bylaws, issue of debentures, cancellation or limitation of the preferential subscription right over new shares, transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad and winding-up of the company.
- 3.6. Authorization of the Board to increase the capital, in pursuance of Article 297.1.b of the Companies Act.
- 3.7. Decision on matters submitted by the Board for authorization.
- 3.8. Authorization of the related party transactions contemplated in Article 22bis of the Bylaws.
- 3.9. Releasing of a director from his no competition obligation pursuant to Article 44bis of the Bylaws.
- 3.10. Any other decisions attributed to it by law or the Bylaws".

Five. Modification of Article 9.2 of the Regulations of the General Shareholders' Meeting (Quorum)

To re-draft Article 9.2 of the Regulations of the General Shareholders' Meeting, without any amendment to the other sections of that article, as follows:

"9.2. In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

Special resolutions shall be required, adopted with the favourable votes of seventy-five per cent (75%) of the voting capital attending the shareholders' meeting, on both first and second call, to validly adopt resolutions on the matters contemplated in the third paragraph of Article 22 of the Bylaws and Article 13.7 of these Regulations".

Six. Modification of Article 13 of the Regulations of the General Shareholders' Meeting (Discussion and adoption of resolutions)

To re-draft Article 13 of the Regulations of the General Shareholders' Meeting as follows:

"13. DISCUSSION AND ADOPTION OF RESOLUTIONS

13.1. Once the meeting has been declared open, the secretary shall read out the details of the notice of call and attendance, based on the attendance list prepared by the presiding Board, which shall indicate the nature or representation of each shareholder present and the number of shares they hold or represent.

The attendance list may also be drawn up using a file or incorporated in a magnetic data support, in which case the means used shall be stated in the minutes and the appropriate identification details, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed case of the file or magnetic data carrier.

13.2. The summary of the attendance list shall specify the number of shareholders present or represented and the amount of capital they hold, specifying the capital corresponding to shareholders with voting rights. The Vice-Secretary of the Board shall provide the presiding board with two copies of the summary, signed by the Vice-Secretary and one scrutiner.

13.3. In the light of the attendance list, the Chairman shall, if appropriate, declare the shareholders' meeting quorate. If the notary required by the company to issue the minutes of the shareholders' meeting is present, he shall ask the attendees whether or not they have any reservations or protests regarding the chairman's declarations on attendance by shareholders and capital. Any shareholder expressing reservations shall show the assistants of the presiding board his attendance card and the presiding board shall check and correct the error, if appropriate.

13.4. In an effort to expedite the meeting, before commencing his report on the year and the proposals put to the shareholders' meeting, the Chairman shall request any shareholders who wish to speak to show their attendance cards to the assistants of the presiding board, in order to organise their turns for participation.

13.5. The Chairman shall then inform the Shareholders' Meeting on the highlights of the year and the proposals submitted by the board. His report may be supplemented by any persons he may authorize. The Chairman of the Audit and Control Committee will be available at the shareholders' meeting to answer, on behalf of the committee, any questions that the shareholders may raise on matters within the committee's competence. After his report, the Chairman shall grant the floor to those shareholders who have so requested, directing the debate and seeing that it keeps within the confines of the agenda, except as provided in Articles 223.1 and 238 of the Companies Act. The Chairman will end the debate when, in his opinion, the matter has been sufficiently discussed and will then put the different proposed resolutions to the vote, the results of which will be read out by the secretary. The reading of the proposals may be abridged at the decision of the chairman, provided that shareholders representing the majority of subscribed voting capital present at the shareholders' meeting do not object.

13.6. Resolutions shall be adopted with the favourable votes of the majority of voting capital present and represented at the shareholders' meeting, with the exceptions established in the following section and any others contemplated in law, the Bylaws and these Regulations.

13.7. Notwithstanding the special resolutions contemplated in the law and the Bylaws, the favourable votes of 75% of the voting capital present and represented at the Shareholders' Meeting will be required on both first and second call to validly adopt resolutions on the following matters:

- a. modification of Articles 22bis and 44bis of the Bylaws concerning related party transaction and the prohibition of competition by directors, or this special rule;
 - b. authorization of related party transactions in the cases contemplated in Article 22bis of the Bylaws; and
 - c. waiving a director from his no competition obligation pursuant to Article 44bis of the Bylaws.
- 13.8. Voting rights may not be transferred or assigned, not even through the granting of a proxy, in exchange for any financial benefit or consideration.

13.9. Individual voting will not be necessary if the sense of voting is sufficiently obvious by acclamation or show of hands and this helps to expedite the meeting. This will not prevent shareholders so requesting from having their votes against put on record for the purposes of challenging a resolution or any other reason.

13.10. After voting on all the proposals, the secretary of the Shareholders' Meeting will deliver to the notary, if any, the note of the scrutineers containing the results of voting on each proposal and the chairman shall close the meeting.

13.11. The following information shall be given for each resolution put to the vote at the General Shareholders' Meeting: the number of shares in respect of which valid shares have been cast, the proportion of the capital represented by those votes, the total number of valid votes, the number of votes for and against each resolution and the number of abstentions, if any. The resolutions approved and the voting results shall be published in full on the Company's website within five days after the date of the General Shareholders' Meeting".

Resolution proposal related to the seventh point of the Agenda ("Re-election as Director of Mr. Isidro Fainé Casas.")

To re-elect as Mr. Isidro Fainé Casas as Director, for a new period of four years.

Resolution proposal related to the eighth point of the Agenda ("Re-election as Director of Mr. Juan María Nin Genova")

To re-elect Mr. Juan María Nin Genova as Director, for a new period of four years.

Resolution proposal related to the ninth point of the Agenda ("Share Acquisition Plan 2013-2015").

To approve the Share Acquisition Plan 2013-2015, which is subjected to the following rules:

- i. Beneficiaries: the beneficiaries of the Plan will be those Repsol YPF Group executives and other employees in Spain who voluntarily decide to opt for the same.
- ii. Description of the Plan: beneficiaries may receive part of their remuneration corresponding to some or all the years 2013, 2014 y 2015 in Repsol YPF shares, with an annual limit equal to the maximum monetary amount in shares that, pursuant to the applicable tax laws in force each year and for each territory, has the treatment as income exempt of tax (currently, this amount is 12,000 euros in the Spanish common territory). Said shares will be valued at the Repsol YPF share closing price in the Exchange Electronic Trading System (continuous market) of Spanish stock markets on the date of instalment to the beneficiary. Receipt of remuneration in shares is voluntary for beneficiaries.
- iii. Duration: this Plan corresponds to the years 2013, 2014 and 2015. Instalment of the shares may take place periodically or a single instalment at the end of the Plan.
- iv. Maximum number of shares to be given: Taking into account that the estimate made by the Board of Directors of the maximum amount to be invested in Repsol YPF shares by the beneficiaries of this plan amounts to €180 million (the "Maximum Share Payment") for each year, the maximum number of Repsol YPF shares that can be given in accordance with this Plan (the "Limit of Final Instalment of Shares") will be determined by applying the following formula:

$$\text{Limit of Final Instalment of Shares} = (\text{Maximum Amount of Payment in Shares} / \text{Repsol YPF Share Listing})$$

Where "Repsol YPF Share Listing" will be the Repsol YPF share closing price in the Exchange Electronic Trading System (continuous market) of Spanish stock markets on the date of instalment to the beneficiary.
- v. Other rules: in the case of a decrease or an increase of the par value of the shares or an operation with the equivalent effect, or variation of the number of Repsol YPF Group employees in Spain, the maximum number of shares to be given will be modified proportionally.

Likewise, if it were necessary or convenient for legal or regulatory reasons or reasons of another type, the instalment mechanisms foreseen could be adapted in specific cases, without altering the number of shares linked to the Plan in question nor the conditions upon which the instalment depends.

The shares to be given may come from the direct or indirect treasury stock of Repsol YPF, be newly issued shares or they may come from third parties with whom agreements have been subscribed to ensure the attention to the commitments undertaken.

- vi. Delegation of powers: without this preventing that generally established in the sixteenth point of the agenda or in the sections from this resolution, and without prejudice to the powers of the Board of Directors on remuneration matters, in accordance with the Bylaws and the Regulations of the Board of Directors, the company Board of Directors is authorised to put the Share Acquisition Plan 2013-2015 into practice. It may specify and interpret, in all that is necessary or convenient, the rules established herein and the content of the contracts and other documentation to be used. In particular and not limited to this, the Board of Directors will have the following powers:
 - a. Develop and set the specific conditions of the Plan in all that is not established in this resolution. It may establish for this purpose a minimum limit to be received in Repsol YPF shares for the employees that voluntarily join the Plan.
 - b. Approve the content of the contracts and all documentation that is necessary or convenient.
 - c. Approve as many communications and additional documents as are necessary or convenient to present to any public or private body, including, if necessary, the corresponding brochures.
 - d. Define the frequency to give shares to beneficiaries, whether this be monthly, annually or any other frequency.
 - e. Carry out any action, procedure or declaration before any public or private entity or body.
 - f. Negotiate, agree and subscribe compensation and liquidity contracts with the financial entities that it freely appoints, in the appropriate terms and conditions.
 - g. Draft and subscribe as many notices as are necessary or convenient.
 - h. Interpret the above resolutions, being able to adapt them, without affecting their basic content, to the new circumstances that may arise.
 - i. In general, carry out any actions and sign any documents that may be necessary or convenient.
- The Board of Directors may delegate in the Delegate Committee all the powers granted in this resolution.

All the provisions hereof are notwithstanding the company affiliates exercising the powers of their competence in each case to set up the Plan which refers to their executives or employees.

Resolution proposal related to the tenth point of the Agenda ("Increase of share capital in a determinable amount pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently outstanding, charged to reserves, offering shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market. Delegation of powers to the Board of Directors or, by substitution, to the Delegate Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297(1)(a) of the Companies Act. Application for admission of the newly issued shares to listing on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) and on the Buenos Aires stock exchange.")

To approve an increase of share capital (the "Capital Increase") by the amount resulting from multiplying: (a) the par value of one euro (1 €) per share of Repsol YPF, S.A. (the "Company") by (b) the total number new shares of the Company to be determined by the formula outlined in point 2 below. The Capital Increase will be made on the following conditions:

1. Capital increase with a charge to reserves

The Capital Increase will be made by the issue and placement into circulation of a determinable number of new shares of the Company resulting from the formula set out in point 2 below (the new shares issued in execution of this resolution will hereinafter be referred to as "New Shares" and each one of them, individually, as a "New Share").

The Capital Increase will be made by the issue and placement into circulation of the New Shares, which will be ordinary shares with a par value of one euro (1 €) each, of the same class and series and with the same rights as those currently issued, in book-entry form.

The Capital Increase will be made entirely against voluntary reserves from retained earnings. When making the Capital Increase, the Board of Directors or, by substitution, the Delegate Committee, will specify the reserve to be used and the amount of that reserve according to the balance sheet for the transaction.

The New Shares will be issued at par, i.e., at their par value of one euro (1 €), with no share premium, and will be allocated to the Company shareholders without charge.

Within the year following the approval of this resolution, the Capital Increase may be implemented by the Board of Directors or, by substitution, the Delegate Committee, without having further recourse to the General Shareholders' Meeting and taking account of the legal and financial conditions prevailing at the date of the Capital Increase, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

Pursuant to Article 311 of the Companies Act, the possibility of an incomplete allocation of the Capital Increase is foreseen.

2. New Shares to be issued in the Capital Increase

The maximum number of New Shares to be issued in the Capital Increase will be determined by applying the following formula, rounded down to the nearest whole number:

$$MNNS = NES / \text{No. Rights per share}$$

where,

"MNNS" = Maximum number of New Shares to be issued in the Capital Increase;

"NES" = number of outstanding Company shares on the date the Board of Directors or, by substitution, the Delegate Committee, resolves to implement the Capital Increase; and

"No. Rights per share" = number of free-of-charge allocation rights required for the allocation of one New Share in the Capital Increase, resulting from the following formula, rounded up to the nearest whole number:

$$\text{No. Rights per share} = NES / \text{Provisional no. shares}$$

where,

"Provisional no. shares" = Amount of the Alternative Option / Share Price

For this purpose, "Share Price" will be the arithmetic mean of the weighted average prices of the Company's share on the Madrid, Barcelona, Bilbao and Valencia stock exchanges over the five (5) trading sessions prior to the date of the resolution adopted by the Board of Directors or, by substitution, the Delegate Committee to implement the Capital Increase, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

"Amount of the Alternative Option" will be 705,048,650 euro.

3. Free-of-charge allocation rights

Each outstanding share of the Company will confer one (1) free-of-charge allocation rights.

The number of free-of-charge allocation rights required to receive one New Share will be determined automatically according to the ratio of the number of maximum number of New Shares (MNNS) to the number of outstanding shares (NES), resulting from the formula indicated in point 2 above. In particular, shareholders will be entitled to receive one New Share for a number of free-of-charge allocation rights determined according to point 2 above (No. Rights per share) that they may hold.

If the number of free-of-charge allocation rights required for the allocation of one share (No. Rights per share) multiplied by the maximum number of New Shares (MNNS) is lower than the number of outstanding shares (NES), the Company will waive a number of free-of-charge allocation rights equal to the difference between the two figures, for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.

Free -of-charge allocation rights will be allocated in the Capital Increase to the Company's shareholders who are recognized as such in the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) at 23:59 Madrid time on the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry.

The holders of any convertible debentures into Repsol YPF shares that may be outstanding at the date on which the Board of Directors or, by substitution, the Delegate Committee resolves

to implement the Capital Increase will not have free-of-charge allocation right over the New Shares, notwithstanding the modifications to be made to the conversion rate by virtue of the terms of each issue.

The free-of-charge allocation rights may be traded on the same conditions as the shares in respect of which they are granted and may be traded on the market for such time as may be determined by the Board of Directors or, by substitution, the Delegate Committee, at least fifteen (15) calendar days, commencing on the day after the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry. During the period of trading of the free-of-charge allocation rights of the Capital Increase, sufficient rights may be acquired on the market in the necessary proportion to be able to subscribe New Shares.

4. Irrevocable undertaking to purchase free-of-charge allocation rights

The Company irrevocably undertakes to purchase the free-of-charge allocation rights assigned in the Capital Increase from the shareholders recognized as such at the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry at the price indicated below (the "Purchase Commitment").

The Purchase Commitment will only cover the rights originally and freely received by the shareholders, not those purchased on the market, and will be in force and may be accepted during such time, within the trading period of the rights, as may be determined by the Board of Directors or, by substitution, the Delegate Committee. For this purpose, the Company will be authorized to purchase those free-of-charge allocation rights (and the corresponding shares) up to and not exceeding the total rights issued, respecting all and any applicable legal limits.

The "Purchase Price" for each free-of-charge allocation right will be calculated applying the following formula, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro:

$$\text{Purchase Price} = \text{Share Price} / (\text{No. Rights per share} + 1)$$

The Company will foreseeably waive the New Shares corresponding to the free-of-charge allocation rights acquired under the Purchase Commitment so the capital will be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which there has been no waiver.

5. Balance sheet for the operation and reserve against which the Capital Increase is made

The balance sheet on which this operation is based is the balance sheet for the year ended 31 December 2011, duly audited and approved by this Ordinary Shareholders' Meeting.

As mentioned earlier, the Capital Increase will be made entirely against the voluntary reserves from retained earnings. When implementing the Capital Increase, the Board of Directors or, by substitution, the Delegate Committee, will specify the reserve to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

6. Representation of the New Shares

The New Shares will be issued in book-entry form, the accounting register being kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members.

7. Rights of the New Shares

As from the date on which the Capital Increase is declared subscribed and paid up, the New Shares will confer upon their holders the same voting and economic rights as the Company's outstanding ordinary shares.

8. Shares on deposit

At the end of the trading period for the free-of-charge allocation rights, any New Shares that have not been allocated for reasons beyond the Company's control will be held on deposit for any investors who can prove that they are the legitimate owners of the corresponding free-of-charge allocation rights. If any New Shares are still pending allocation three (3) years after the end of the trading period of the free-of-charge allocation rights, they may be sold, pursuant to Article 117 of the Companies Act, for the account and risk of the interested parties. The net proceeds from the sale will be deposited at the Bank of Spain or Government Depository (*Caja General de Depósitos*) at the disposal of the interested parties.

9. Application for listing

It is resolved to apply for listing of the New Shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) and to complete whatever formalities and actions may be necessary and file such

documents as may be required with the competent authorities for listing of the New Shares on the Buenos Aires stock exchange, expressly putting on record that the Company submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

It is expressly declared that if the Company subsequently applies for delisting of its shares, this will be subject to the same applicable formalities and, in that case, the interests of any shareholders objecting to the delisting resolution or who do not vote for it will be protected, complying with the requirements stipulated in the Companies Act and other applicable provisions, in pursuance of the Securities Market Act 24/1988 of 28 July and relevant statutory instruments in force from time to time.

10. Implementation of the Capital Increase

Within a period of one year from the date of this resolution, the Board of Directors or, by substitution, the Delegate Committee, may implement the Capital Increase, setting the date for it and any conditions not expressed in this resolution.

This notwithstanding, if the Board of Directors (with express powers of substitution) does not consider it convenient to make the Capital Increase within the time stipulated, owing to prevailing market conditions, circumstances of the Company and any deriving from a socially or economically important event or circumstance, it may submit a proposal to the Shareholders' Meeting to revoke it. The Capital Increase will have no effect if the Board of Directors or, by substitution, the Delegate Committee, does not exercise the powers delegated to it within the period of one year, in which case it will report on that at the first Shareholders' Meeting held thereafter.

After the end of the trading period for the free-of-charge allocation rights in respect of the Capital Increase:

- a. The New Shares will be allocated to those shareholders who hold free-of-charge allocation rights according to the registers kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members, in the proportions deriving from the preceding sections.
- b. The Board of Directors or, by substitution, the Delegate Committee will declare the free-of-charge allocation rights trading period over and will apply the reserves in the Company's accounts in the amount of the Capital Increase, which will be deemed paid up by that application.

In addition, after the end of the free-of-charge allocation rights trading period, the Board of Directors or, by substitution, the Delegate Committee, will adopt the corresponding resolution to (i) modify the Articles of Association in order to reflect the new amount of the capital and the number of New Shares corresponding to the Capital Increase; and (ii) apply for listing of the New Shares from the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Buenos Aires stock exchange.

11. Delegation of powers to implement the Capital Increase

The Board of Directors is authorized, pursuant to Article 297.1.a) of the Companies Act, with express power to substitute to the Delegate Committee, to establish the conditions of the Capital Increase in any aspects not contemplated in this resolution. In particular, but by no means exclusively, the Board of Directors, with express power to delegate to the Delegate Committee, is authorized to:

- a. Specify, within the times established in point 10 above, the date on which the Capital Increase approved by this resolution is to be made and the reserves against which it is to be made, from those contemplated in the resolution.
- b. Define the exact amount of the Capital Increase, the number of New Shares and the free-of-charge allocation rights required for the allocation of New Shares in the Capital Increase, applying the rules established for this purpose at this Shareholders' Meeting.
- c. At the date of implementation of the Capital Increase, name the entity or entities that are to act as agent and/or financial adviser and sign such contracts and other documents as may be necessary for this purpose.
- d. Set the duration of the trading period for free-of-charge allocation rights, which will be at least fifteen calendar days as from publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry.
- e. Define the period during which the Purchase Commitment will be effective and implement the Purchase Commitment, paying the corresponding sums to the holders of free-of-charge allocation rights who have accepted that commitment.
- f. Declare the Capital Increase closed and completed, determining the incomplete allocation, if appropriate.

- g. Re-draft Articles 5 and 6 of the Company's Articles of Association regarding the capital and shares, respectively, to adjust them to the outcome of the Capital Increase.
- h. Waive any New Shares corresponding to the free-of-charge allocation rights held by the Company at the end of the rights trading period acquired pursuant to the Purchase Commitment.
- i. If appropriate, waive free-of-charge allocation rights to subscribe New Shares for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.
- j. Complete whatever formalities may be necessary to have the New Shares corresponding to the Capital Increase entered in the accounting registers kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Buenos Aires stock exchange, according to the procedures established on each of those stock exchanges; and take whatsoever action may be necessary or convenient to make the Capital Increase and complete the appropriate formalities in respect of Spanish or foreign, public or private entities or authorities, including the duties to declare, supplement or remedy any defects or omissions that may hamper or impede the full effectiveness of the foregoing resolutions. The Board of Directors is expressly authorized to delegate, in turn, the powers vested in it by this resolution, pursuant to Article 249.2 of the Companies Act.

Resolution proposal related to the eleventh point of the Agenda ("Second increase of share capital in a determinable amount pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently outstanding, charged to reserves, offering shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market. Delegation of powers to the Board of Directors or, by substitution, to the Delegate Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297(1)(a) of the Companies Act. Application for admission of the newly issued shares to listing on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) and on the Buenos Aires stock exchange.")

To approve an increase of share capital (the "Capital Increase") by the amount resulting from multiplying: (a) the par value of one euro (1 €) per share of Repsol YPF, S.A. (the "Company") by (b) the total number new shares of the Company to be determined by the formula outlined in point 2 below. The Capital Increase will be made on the following conditions:

1. Capital increase with a charge to reserves

The Capital Increase will be made by the issue and placement into circulation of a determinable number of new shares of the Company resulting from the formula set out in point 2 below (the new shares issued in execution of this resolution will hereinafter be referred to as "New Shares" and each one of them, individually, as a "New Share").

The Capital Increase will be made by the issue and placement into circulation of the New Shares, which will be ordinary shares with a par value of one euro (1 €) each, of the same class and series and with the same rights as those currently issued, in book-entry form.

The Capital Increase will be made entirely against voluntary reserves from retained earnings. When making the Capital Increase, the Board of Directors or, by substitution, the Delegate Committee, will specify the reserve to be used and the amount of that reserve according to the balance sheet for the transaction.

The New Shares will be issued at par, i.e., at their par value of one euro (1 €), with no share premium, and will be allocated to the Company shareholders without charge.

Within the year following the approval of this resolution, the Capital Increase may be implemented by the Board of Directors or, by substitution, the Delegate Committee, without having further recourse to the General Shareholders' Meeting and taking account of the legal and financial conditions prevailing at the date of the Capital Increase, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

Pursuant to Article 311 of the Companies Act, the possibility of an incomplete allocation of the Capital Increase is foreseen.

2. New Shares to be issued in the Capital Increase

The maximum number of New Shares to be issued in the Capital Increase will be determined by applying the following formula, rounded down to the nearest whole number:

$$MNNS = NES / \text{No. Rights per share}$$

where,

“MNNS” = Maximum number of New Shares to be issued in the Capital Increase;

“NES” = number of outstanding Company shares on the date the Board of Directors or, by substitution, the Delegate Committee, resolves to implement the Capital Increase; and

“No. Rights per share” = number of free-of-charge allocation rights required for the allocation of one New Share in the Capital Increase, resulting from the following formula, rounded up to the nearest whole number:

$$\text{No. Rights per share} = NES / \text{Provisional no. shares}$$

where,

“Provisional no. shares” = Amount of the Alternative Option / Share Price

For this purpose, “Share Price” will be the arithmetic mean of the weighted average prices of the Company's share on the Madrid, Barcelona, Bilbao and Valencia stock exchanges over the five (5) trading sessions prior to the date of the resolution adopted by the Board of Directors or, by substitution, the Delegate Committee to implement the Capital Increase, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

“Amount of the Alternative Option” will be the market value of the capital increase, to be determined by the Board of Directors or, by substitution, the Delegate Committee, considering the outstanding Company shares (NES) and the remuneration already paid to shareholders from earnings of the fiscal year 2012 and not exceeding 775,553,515 euro.

3. Free-of-charge allocation rights

Each outstanding share of the Company will confer one (1) free-of-charge allocation rights.

The number of free-of-charge allocation rights required to receive one New Share will be determined automatically according to the ratio of the number of maximum number of New Shares (MNNS) to the number of outstanding shares (NES), resulting from the formula indicated in point 2 above. In particular, shareholders will be entitled to receive one New Share for a number of free-of-charge allocation rights determined according to point 2 above (No. Rights per share) that they may hold.

If the number of free-of-charge allocation rights required for the allocation of one share (No. Rights per share) multiplied by the maximum number of New Shares (MNNS) is lower than the number of outstanding shares (NES), the Company will waive a number of free-of-charge allocation rights equal to the difference between the two figures, for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.

Free -of-charge allocation rights will be allocated in the Capital Increase to the Company's shareholders who are recognized as such in the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) at 23:59 Madrid time on the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry.

The holders of any convertible debentures into Repsol YPF shares that may be outstanding at the date on which the Board of Directors or, by substitution, the Delegate Committee resolves to implement the Capital Increase will not have free-of-charge allocation right over the New Shares, notwithstanding the modifications to be made to the conversion rate by virtue of the terms of each issue.

The free-of-charge allocation rights may be traded on the same conditions as the shares in respect of which they are granted and may be traded on the market for such time as may be determined by the Board of Directors or, by substitution, the Delegate Committee, at least fifteen (15) calendar days, commencing on the day after the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry. During the period of trading of the free-of-charge allocation rights of the Capital Increase, sufficient rights may be acquired on the market in the necessary proportion to be able to subscribe New Shares.

4. Irrevocable undertaking to purchase free-of-charge allocation rights

The Company irrevocably undertakes to purchase the free-of-charge allocation rights assigned in the Capital Increase from the shareholders recognized as such at the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry at the price indicated below (the “Purchase Commitment”).

The Purchase Commitment will only cover the rights originally and freely received by the shareholders, not those purchased on the market, and will be in force and may be accepted during such time, within the trading period of the rights, as may be determined by the Board of Directors or, by substitution, the Delegate Committee. For this purpose, the Company will be authorized to purchase those free-of-charge allocation rights (and the corresponding shares) up to and not exceeding the total rights issued, respecting all and any applicable legal limits.

The “Purchase Price” for each free-of-charge allocation right will be calculated applying the following formula, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro:

$$\text{Purchase Price} = \text{Share Price} / (\text{No. Rights per share} + 1)$$

The Company will foreseeably waive the New Shares corresponding to the free-of-charge allocation rights acquired under the Purchase Commitment so the capital will be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which there has been no waiver.

5. Balance sheet for the operation and reserve against which the Capital Increase is made

The balance sheet on which this operation is based is the balance sheet for the year ended 31 December 2011, duly audited and approved by this Ordinary Shareholders' Meeting.

As mentioned earlier, the Capital Increase will be made entirely against the voluntary reserves from retained earnings. When implementing the Capital Increase, the Board of Directors or, by substitution, the Delegate Committee, will specify the reserve to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increase.

6. Representation of the New Shares

The New Shares will be issued in book-entry form, the accounting register being kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members.

7. Rights of the New Shares

As from the date on which the Capital Increase is declared subscribed and paid up, the New Shares will confer upon their holders the same voting and economic rights as the Company's outstanding ordinary shares.

8. Shares on deposit

At the end of the trading period for the free-of-charge allocation rights, any New Shares that have not been allocated for reasons beyond the Company's control will be held on deposit for any investors who can prove that they are the legitimate owners of the corresponding free-of-charge allocation rights. If any New Shares are still pending allocation three (3) years after the end of the trading period of the free-of-charge allocation rights, they may be sold, pursuant to Article 117 of the Companies Act, for the account and risk of the interested parties. The net proceeds from the sale will be deposited at the Bank of Spain or Government Depository (*Caja General de Depósitos*) at the disposal of the interested parties.

9. Application for listing

It is resolved to apply for listing of the New Shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) and to complete whatever formalities and actions may be necessary and file such documents as may be required with the competent authorities for listing of the New Shares on the Buenos Aires stock exchange, expressly putting on record that the Company submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

It is expressly declared that if the Company subsequently applies for delisting of its shares, this will be subject to the same applicable formalities and, in that case, the interests of any shareholders objecting to the delisting resolution or who do not vote for it will be protected, complying with the requirements stipulated in the Companies Act and other applicable provisions, in pursuance of the Securities Market Act 24/1988 of 28 July and relevant statutory instruments in force from time to time.

10. Implementation of the Capital Increase

Within a period of one year from the date of this resolution, the Board of Directors or, by substitution, the Delegate Committee, may implement the Capital Increase, setting the date for it and any conditions not expressed in this resolution.

This notwithstanding, if the Board of Directors (with express powers of substitution) does not consider it convenient to make the Capital Increase within the time stipulated, owing to prevailing market conditions, circumstances of the Company and any deriving from a socially or economically important event or circumstance, it may submit a proposal to the Shareholders' Meeting to revoke it. The Capital Increase will have no effect if the Board of Directors or, by substitution, the Delegate Committee, does not exercise the powers delegated to it within the period of one year, in which case it will report on that at the first Shareholders' Meeting held thereafter.

After the end of the trading period for the free-of-charge allocation rights in respect of the Capital Increase:

- a. The New Shares will be allocated to those shareholders who hold free-of-charge allocation rights according to the registers kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members, in the proportions deriving from the preceding sections.
- b. The Board of Directors or, by substitution, the Delegate Committee will declare the free-of-charge allocation rights trading period over and will apply the reserves in the Company's accounts in the amount of the Capital Increase, which will be deemed paid up by that application.

In addition, after the end of the free-of-charge allocation rights trading period, the Board of Directors or, by substitution, the Delegate Committee, will adopt the corresponding resolution to (i) modify the Articles of Association in order to reflect the new amount of the capital and the number of New Shares corresponding to the Capital Increase; and (ii) apply for listing of the New Shares from the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Buenos Aires stock exchange.

11. Delegation of powers to implement the Capital Increase

The Board of Directors is authorized, pursuant to Article 297.1.a) of the Companies Act, with express power to substitute to the Delegate Committee, to establish the conditions of the Capital Increase in any aspects not contemplated in this resolution. In particular, but by no means exclusively, the Board of Directors, with express power to delegate to the Delegate Committee, is authorized to:

- a. Specify, within the times established in point 10 above, the date on which the Capital Increase approved by this resolution is to be made, determine the Amount of the Alternative Option, and specify the reserves against which it is to be made, from those contemplated in the resolution.
- b. Define the exact amount of the Capital Increase, the number of New Shares and the free-of-charge allocation rights required for the allocation of New Shares in the Capital Increase, applying the rules established for this purpose at this Shareholders' Meeting.
- c. At the date of implementation of the Capital Increase, name the entity or entities that are to act as agent and/or financial adviser and sign such contracts and other documents as may be necessary for this purpose.
- d. Set the duration of the trading period for free-of-charge allocation rights, which will be at least fifteen calendar days as from publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry.
- e. Define the period during which the Purchase Commitment will be effective and implement the Purchase Commitment, paying the corresponding sums to the holders of free-of-charge allocation rights who have accepted that commitment.
- f. Declare the Capital Increase closed and completed, determining the incomplete allocation, if appropriate.
- g. Re-draft Articles 5 and 6 of the Company's Articles of Association regarding the capital and shares, respectively, to adjust them to the outcome of the Capital Increase.
- h. Waive any New Shares corresponding to the free-of-charge allocation rights held by the Company at the end of the rights trading period acquired pursuant to the Purchase Commitment.
- i. If appropriate, waive free-of-charge allocation rights to subscribe New Shares for the sole purpose of ensuring that the number of New Shares is a whole number and not a fraction.
- j. Complete whatever formalities may be necessary to have the New Shares corresponding to the Capital Increase entered in the accounting registers kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and

listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the Buenos Aires stock exchange, according to the procedures established on each of those stock exchanges; and take whatsoever action may be necessary or convenient to make the Capital Increase and complete the appropriate formalities in respect of Spanish or foreign, public or private entities or authorities, including the duties to declare, supplement or remedy any defects or omissions that may hamper or impede the full effectiveness of the foregoing resolutions. The Board of Directors is expressly authorized to delegate, in turn, the powers vested in it by this resolution, pursuant to Article 249.2 of the Companies Act.

Resolution proposal related to the twelfth point of the Agenda ("Modify the corporate name of the Company and subsequent modification of Article 1 of the Bylaws")

To modify the corporate name of the Company that from now on will be "REPSOL, S.A." and subsequently, to modify Article 1 of the Bylaws which will have the following wording:

"Article 1. Corporate name

The corporate name of the Company is REPSOL, S.A. It is governed by these Bylaws, its Internal Regulations, the legal provisions governing listed companies and any applicable general provisions."

Resolution proposal related to the thirteenth point of the Agenda ("Delegation to the Board of Directors of the power to issue fixed rate, convertible and/or exchangeable securities for company shares or exchangeable for shares in other companies, as well as warrants (options to subscribe new shares or to acquire shares in circulation of the company or other companies). Fixing the criteria to determine the bases and modes of conversion and/or exchange and attribution to the Board of Directors of the powers to increase capital by the amount necessary, as well as to totally or partially exclude the pre-emptive subscription rights of the shareholders of said issues. Authorisation for the company to guarantee securities issued by its subsidiaries. To leave without effect, in the portion not used, the sixteenth B) resolution of the General Shareholders' Meeting held on 15 April 2011."):

- a. To leave without effect, in the portion not used, the sixteenth B) resolution of the General Shareholders' Meeting held on 15 April 2011.
- b. To delegate to the Board of Directors, according to the general regime on issuing debentures and in accordance with articles 511 of the Companies Act and 319 of the Regulations of the Commercial Registry, applying by similarity article 297.1.b) of the Companies Act, and in accordance with articles 12, 12.bis and 13 of the Bylaws, the power to issue, on one or several occasions, negotiable securities according to the following conditions:
 1. **Securities object of issue.** The negotiable securities referred to in this delegation may be debentures, bonds and other fixed rate securities of a similar nature, exchangeable for company shares in circulation and/or convertible in newly issued company shares. Likewise, this delegation may also be used to issue warrants (options to subscribe new company shares or acquire company shares in circulation) and other securities exchangeable for shares of other companies in circulation.
 2. **Period.** The securities may be issued on one or several occasions, at any time, within the maximum period of five (5) years from the date of adopting this resolution.
 3. **Maximum amount.** The maximum amount of the issue/s of securities agreed according to this delegation will be €8,400,000,000 or its equivalent in another currency. For the purpose of calculating the previous limit, in the case of warrants, the sum of premiums and prices of the warrants of each issue approved according to this delegation will be taken into account. In turn, the maximum limit indicated is subdivided into two additional limits:

- i. Issues of securities convertible and/or exchangeable for company shares or warrants on newly issued company shares in which, in accordance with section B)(7) of this resolution, that exclude the pre-emption subscription right and whose aggregate maximum amount will be €4,400,000,000 or its equivalent in another currency, and
 - ii. Issues of securities convertible and/or exchangeable for company shares or warrants in which the pre-emption subscription right is not excluded or securities (including warrants) exchangeable for shares in other companies and whose maximum aggregate amount may not exceed €4,000,000,000 or its equivalent in another currency.
- 4. Scope of the delegation.** Including, but not limited to, it is the responsibility of the Board of Directors to determine, for each issue, (i) its value (respecting at all times the applicable quantitative limits), (ii) the number of securities and their par value; (iii) applicable legislation; (iv) the place of issue -national or foreign- and (v) the currency, in the case of foreign currency, its equivalent in Euros; (vi) the form, whether bonds or debentures - including subordinates - or any other accepted by law; (vii) the date or dates of issue; (viii) the interest rate, (ix) the procedures and dates of payment of the coupon; (x) the amortisation period and the expiry date; (xi) the guarantees, form of payment and batches and premiums; (xii) the form of representation, whether by titles or account entries; (xiii) where appropriate, pre-emption subscription right and subscription regime; (xiv) where appropriate, request acceptance to negotiation in official or unofficial secondary markets, organised or not, national or foreign, of the securities issued with the requirements demanded in each case by current legislation, and (xv) in general, any other condition for issue, (xvi) as well as, when applicable, appointing the Commissary and approving the fundamental rules that must govern the legal relations between the company and the union of holders of the securities issued.
- The Board of Directors is also authorised, when deemed convenient and when applicable, subject to obtaining the appropriate authorisations and the approval of the corresponding assemblies of the unions of holders of the securities, to modify the repayment conditions of the fixed rate securities issued and their respective periods and interest rates which, where appropriate, are accrued by those included in each of the issues made in accordance with this authorisation.
- 5. Bases and forms of conversion and/or exchange.** For the case of issuing debentures or bonds convertible in new company shares and/or exchangeable for company shares in circulation, for the purpose of establishing the bases and forms of conversion and/or exchange, the following criteria are agreed:
- i. The securities will be convertible to new company shares and/or exchangeable for shares in circulation in accordance with a fixed (determined or undetermined) or variable conversion and/or exchange ratio. The Board of Directors is authorised to determine if they are convertible and/or exchangeable, as well as to establish whether this is voluntary or they must be convertible and/or exchangeable and; in voluntary cases, if they are converted and/or exchanged at the will of the holder or issuer; the frequency and period, which will be established in the issue resolution and no longer than fifteen (15) days from the date of issue.
 - ii. In the case that the issue is convertible and exchangeable, the Board of Directors may agree that the issuer reserves the right to opt, at any time, between the conversion in new shares or their exchange for shares in circulation, specifying the nature of the shares to be given at the time of conversion or exchange. A combination of newly issued shares and pre-existing shares may be given. In any case, the issuer must respect the equal treatment of all fixed rate security holders that are converted and/or exchanged on the same date.
 - iii. To the effects of conversion and/or exchange, the fixed rate securities will be evaluated for their par value, and the shares at the exchange rate established by the Board of Directors in the resolution in which it makes use of this delegation, or at the exchange rate to be determined on the date or dates indicated in said resolution, according to the listing value in the stock market of company shares on the date/s or in the period/s taken as a reference in the same resolution, with or without discount and, in any case, with a minimum of the highest of the following two (the "Minimum Value"): (a) the average exchange rate of the shares in the Continuous Market of Spanish Stock Markets, according to closing rates, the average listing value or other listing reference, during a period to be determined by the Board of Directors, no more than three (3) months nor less than three (3) days, which must end no later the day before the date of adopting the resolution to issue securities by the Board of Directors, and (b) the exchange rate of the shares on the Continuous Market according to the closing rate on the day prior to adopting said issue resolution. If the issue is mandatory convertible

and/or exchange, in the event that the listing closing price, the average listing value or another reference listing value on the date prior to conversion or a period not exceeding three (3) months prior to that conversion would be lower or higher than the Minimum Value by a percentage to be determined by the Board of Directors but, in any case, not less than 20%, the Board may establish one or more of the following measures: eliminate the possibility of conversion and/or exchange; or adapt the value of the shares for the conversion and/or exchange; or postpone the time of that conversion and/or exchange; or further include the possibility of pay cash to securities holders by reason of its redemption, conversion and/or exchange.

- iv. It may also be agreed to issue convertible and/or exchangeable fixed rate securities with a variable ratio of conversion and/or exchange. In this case, the price of the shares for the purpose of conversion and/or exchange will be the average of the closing prices, average prices or other listing reference of the company shares in the Continuous Market during a period to be determined by the Board of Directors; no more than three (3) months nor less than three (3) days, which must end no later the day before the date of conversion and/or exchange, with a premium or, where appropriate, a discount on said price per share. The premium or discount can be different for each date of conversion and/or exchange of each issue (or, when appropriate, each stage of an issue), although in the case of setting a discount on the price per share, this may not be greater than 30%. In addition, under the terms approved by the Board of Directors, a minimum and/or maximum reference price of the shares for the purpose of their conversion and/or exchange may be established, as limits.
- v. When effecting the conversion and/or exchange, the fraction of shares that may correspond to be given to the fixed rate security holder will be rounded down to the nearest full number, and each holder will receive the difference that may be produced in cash.
- vi. In accordance with that established in article 415 of the Companies Act, the value of the share for the purpose of the conversion ratio of the debentures for shares may in no case be lower than its par value. Neither may convertible debentures be issued for an amount lower than their par value.

The above criteria will be applied, *mutatis mutandi* and insofar as they are applicable, in relation to the issue of fixed rate securities (or warrants) exchangeable for shares in other companies. If appropriate, the references to Spanish stock markets will be made to the markets where the shares specified are listed.

At the time of agreeing the issue of convertible and/or exchangeable debentures in accordance with the authorisation granted by the General Meeting, the Board of Directors will issue a report developing and specifying, in light of the criteria detailed above, the bases and forms of conversion specifically applicable to said issue. This report will be accompanied by the corresponding auditors' report established in article 414.2 of the Companies Act.

- 6. Rights of holders of convertible securities.** While it is possible to convert and/or exchange fixed rate securities in shares or to exercise warrants, their holders will enjoy as many rights as are conferred to them by current regulations.
- 7. Capital increase and exclusion of the pre-emption subscription right of convertible securities.** The delegation of powers to the Board of Directors also includes, without limitation, the following powers:
 - i. The power, by virtue of that established in articles 308 and 511 of the Companies Act, that the Board of Directors may exclude, totally or partially, the pre-emption subscription right of shareholders when this is demanded by company interests, in the framework of a specific issue of convertible debentures that, in accordance with this authorisation, it may possibly decide to execute. In this case, the Board of Directors will issue, at the time of adopting the issue resolution, a report detailing the specific reasons of company interest that justify the said measure, which will be the object of the mandatory auditors' report, in accordance with that established in article 511.3 of the Companies Act. Both reports will be made available to shareholders and will be communicated at the first General Meeting held after adopting the issue resolution.
 - ii. The power to increase capital by the amount necessary to attend to the requests for conversion of the convertible debentures. Said power may only be exercised inasmuch as the Board of Directors, adding the capital increased to attend to the issue of convertible debentures and the remaining capital increases that may have been agreed in accordance with the authorisations granted by the General Meeting, does not exceed half of the capital amount stipulated in article 297.1.b) of the Stock Companies Act or the lower limit established in the General Meeting authorisation for the

case of the issue excluding the pre-emption subscription right. This authorisation to increase capital includes the authorisation to issue and put into circulation, on one or several occasions, the shares necessary to carry out the conversion, as well as the authorisation to redraft the article of the Bylaws related to the amount of capital and to, if appropriate, annul the part of said capital increase that had not been necessary to attend the conversion.

- iii. In accordance with the criteria established in number 5 above, the power to develop and specify the bases and forms of conversion and/or exchange, including, among other matters, setting the moment of the conversion and/or exchange and, in general and in the fullest terms, to determine as many extremes and conditions necessary or convenient for issue.

The Board of Directors, in the General Meetings held by the company from now on, will inform shareholders of the use, where appropriate and until the time of holding said meetings, that it has made of this delegation to issue convertible and/or exchangeable debentures.

- 8. **Convertible warrants:** The rules established in sections 5 and 7 above will be applied, *mutatis mutandi*, in the case of issuing warrants or other similar securities that may directly or indirectly give rise to the right to subscribe newly issued company shares. The delegation includes the widest powers, with the same scope as the above numbers, to decide all that is convenient in relation to said type of securities.
- 9. **Admission to negotiation.** When appropriate, the company will request the admission to negotiation in official or unofficial secondary markets, organised or not, national or foreign, of the debentures, bonds, warrants and any other securities issued by the company in accordance with this delegation, carrying out in such a case all the procedures and actions necessary for the admission to listing before the competent bodies of the different national or foreign securities markets, for which the widest powers are granted to the Board of Directors.
- 10. **Guarantee of issues of fixed rate securities.** The Board of Directors is equally authorised, during a period of five (5) years, to guarantee, in the name of the company, the issues of fixed rate securities referred to in this delegation resolution made by the companies that belong to its group of companies.
- 11. **Substitution by the Delegate Committee.** The Board of Directors is authorised to delegate in turn, in favour of the Delegate Committee, the delegated powers referred to in this resolution.

Proposed resolution corresponding to item fourteenth on the Agenda (“Ratification of the creation of the Company’s corporate website www.repsol.com ”)

To ratify the creation of the Company’s corporate website www.repsol.com, considered as the electronic headquarters of the Company for the purposes contemplated in Article 11 bis of the Companies Act, introduced by Act 25/2011 of 1 August on the partial reform of the Companies Act, in force as from October 2, 2011.

The creation of the Company’s corporate website was announced and registered in the Madrid Commercial Registry prior to the entry into force of Article 11bis of the Companies Act.

The main functions of the Company’s corporate website are allowing the exercise by shareholders of their information right and publishing the information required by regulations on companies and the securities market.

Proposed resolution corresponding to item fifteenth on the Agenda (“Advisory vote on the Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for 2011”)

To approve, by advisory vote, on the Annual Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for the fiscal year 2011, the text of which has been made available to shareholders together with the other documents for the Shareholders’ Meeting as from the date of call.

Resolution proposal related to the sixteenth point of the Agenda (“Delegation of powers to complement, develop, execute, correct and formalise the resolutions adopted by the General Meeting”)

First. To delegate in the Board of Directors with the widest range possible, including the power to delegate fully or in part the powers received in the Delegate Committee, as many powers necessary to complement, develop, execute and correct any of the resolutions adopted by the General Meeting. The power to correct will include the power to make as many modifications, amendments and additions necessary or convenient as a consequence of objections or observations raised by the securities markets regulating bodies, the Securities Markets, the Mercantile Registry and any other public authority with competence related to the resolutions adopted.

Second. To delegate jointly and indistinctly in the Chairman of the Board of Directors and the Secretary and Vice-Chairman of the board, the powers necessary to formalise the resolutions adopted by the General Meeting, and to register that subject to this requirement, in full or in part, including the powers related to formalising the deposit of annual accounts, being able for this purpose to sign all kinds of public or private documents, even to complement or correct said resolutions.

Ordinary Shareholders' Meeting 2012 Reports of the Board of Directors on the Resolution Proposals

Report of the Board of Directors on the resolution proposal related to the first point of the Agenda ("Revision and approval, if appropriate, of the Annual Accounts and Management Report of Repsol YPF, S.A., of the Consolidated Annual Accounts and the Consolidated Management Report, corresponding to the fiscal year ending on 31 December 2011, and of the proposal of application of earnings").

The Annual Accounts and the different documents which make up said accounts, in accordance with the Trading Code, the Consolidated Text of the Stock Companies Act and other applicable provisions, including current sectorial regulations, both the individual Repsol YPF, S.A. accounts and the consolidated accounts of its Group of Companies, together with the Management Report of Repsol YPF, S.A. and the Consolidated Management Report, have been formulated by the Board of Directors during their meeting of 28 February 2012, after their revision by the Audit and Control Committee and by the Internal Transparency Committee of Repsol YPF, S.A., and following their certification by the Chief Executive Officer and by the Chief Financial Officer.

The Management Reports, individual and consolidated, include as an Appendix in a separate section, the Corporate Governance Annual Report for the fiscal year 2011 which also includes another Annex with the additional information required by article 61 bis of the Securities Market Act pursuant to the wording provided by Law 2/2011 of March 4 on Sustainable Economy.

These Annual Accounts and the Management Reports have been reviewed by the External Auditors of Repsol YPF, S.A. and its Consolidated Group.

All these documents, together with the Auditors' Reports, are available to shareholders at our registered office, Paseo de la Castellana, number 278, 28046 Madrid where they can also request their free delivery to the address they may indicate.

Likewise, said documents are available through the Company's website (www.repsol.com).

In addition to the approval of the Annual Accounts, we equally propose, as in previous years, the approval of the application of earnings, as indicated in the Individual report.

Report of the Board of Directors on the resolution proposal related to the second point of the Agenda ("Revision and approval, if appropriate, of the management of the Board of Directors of Repsol YPF, S.A. corresponding to fiscal year 2011").

In accordance with article 164 of the Companies Act, the management developed by the Board of Directors during fiscal year 2011 is subjected to approval by shareholders, the remuneration of the directors is detailed in the Annual Accounts Report, in the Corporate Governance Annual Report and in the Report on Directors' Remuneration Policy.

Report of the Board of Directors on the resolution proposal related to the third point of the Agenda ("Appointment of Auditor of Repsol YPF, S.A. and its Consolidated Group for fiscal year 2012.")

The proposal presented by the Board of Directors to the General Meeting for this point of the Agenda has been approved at the request of the Audit and Control Committee, which is responsible, in accordance with the Regulations of the Board of Directors, for selecting the external Auditor of the Company and its Consolidated Group.

The Audit and Control Committee agreed, in its meeting of April 16, 2012, to propose to the Board of Directors, for its later submission to the General Shareholders' Meeting, the re-election of the entity Deloitte, S.L. as Auditor of Repsol YPF, S.A. and of its Consolidated Group for the fiscal year 2012.

Report by the Board of Directors on the proposed resolutions corresponding to Items Fourth, Fifth and Sixth on the Agenda referring to the Reform on the Corporate Governance of the Company

1.

Purpose of the report

Pursuant to Article 286 of the Companies Act and Article 2 of the Regulations of the General Shareholders' Meeting, the Board of Directors of Repsol YPF, S.A. ("**Repsol**", the "**Company**" or the "**Company**") issues this report to justify the proposal for modifying certain articles of the Bylaws and the Regulations of the General Shareholders' Meeting, which are submitted to the Shareholders' Meeting for approval.

2.

General justification of the proposal

Repsol has an extraordinarily advanced corporate governance structure and the best proof of this is the high degree of compliance with the recommendations set out in the Unified Code of Good Governance of Listed Companies (the "**Good Governance Code**"), putting it in the vanguard of Spanish companies. Of the 54 recommendations of that Code that are applicable to the Company, Repsol complies with all 54 (5 of them partially). However, the Company is aware that corporate governance is a matter or discipline under continuous debate and in permanent evolution and, consequently, its Board of Directors applies a continuous review policy in respect of the Company's internal regulations, with the ultimate aim of making sure that it has at all times a sound corporate governance system, adapted to the specific circumstances of the Company and updated to the best practices. The task it has been commissioned of protecting corporate interests requires the Board to be alert and to react adequately to any risks that may arise from time to time and to assess the ideas, trends and proposals that arise within the appropriate discussion forums, all with the aim of incorporating the most appropriate good governance recommendations and practices in the Company's internal regulations.

In line with this philosophy, on 28 September 2011 the Board of Directors publicly announced, in a Regulatory Announcement (registration no. 150581), its intention to reform the Corporate Governance of Repsol. The Board began the first phase of that reform on 25 January 2012 when, upon recommendation by the Nomination and Compensation Committee, it approved (i) submitting to the Shareholders' Meeting proposals to modify the Company's Bylaws; and (ii) modifying the Regulations of the Board of Directors, all with a view to reinforcing the measures for protecting the corporate interests in cases of conflicts of interest deriving from related party transactions and situations of competition (see the Regulatory Announcement of 25 January 2012, registration no. 157042). At the date of preparing this report the Board, upon recommendation by the Nomination and Compensation Committee, is commencing the second phase of the reform (formulating proposals for further modifications of the Bylaws and the Regulations of the General Shareholders' Meeting announced in September and January) and at the same time completes the first phase (formulating proposals for modifications of the Regulations of the General Shareholders' Meeting complementary to the proposals for modification of the Bylaws formulated in January).

The purpose of this report is to justify the proposals for modification of the Bylaws and the Regulations of the General Shareholders' Meeting (as drawn up by the Board of Directors on 25 January 2012 and 17 April 2012). All together, they form a single reform of Repsol's corporate governance regulations, corresponding to the following objectives:

- i. Adapt the Company's corporate governance regulations to the most recent changes in law and, in particular, those introduced in the Companies Act by Act 25/2011 of 1 August on the partial reform of the Companies Act and incorporation of Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies ("**Shareholders' Rights Act**"), by Royal Decree-Law 9/2012 of 16 March on simplification of the reporting obligations and documentation of mergers and demergers of corporate enterprises ("**Royal Decree-Law on Simplification of Reporting Obligations**") and by Act 2/2011 of 4 March on Sustainable Economy (the "**Sustainable Economy Act**").

- ii. Reinforce the independence and improve the functioning of the Board of Directors. It is also aims to specify the principle of prohibition of vote trading. All these measures are inspired by national and international corporate governance recommendations and the best practices applicable in this matter.
- iii. Strengthen the measures for protecting the Company's corporate interests in conflicts of interest, particularly those deriving from related party transactions and situations of competition. The measures proposed for this purpose are also inspired by national and international corporate governance recommendations and, in the opinion of the Board and its advisers, are in keeping with the best practices and comparative law applicable in this matter.

3.

Detailed justification of the proposal

The individual justification of the proposals for modifying Repsol's corporate governance regulations is set out below. For this purpose, they have been grouped into three blocks (sections o, 3.2 and o) according to the main objective pursued by each one. The same principle was applied to arrange them under three different items (Forth, Fifth and Sixth) on the Agenda.

Some of the proposed modifications correspond to more than one of the objectives listed in section o above but, for practical reasons and for the sake of clarify, it has been opted to include them in just one of the three blocks.

Purely for information, the wording of those proposals is included in a table at the end of each of these sections of this report, set against and comparing them with the existing wording of the corresponding provisions of the Bylaws or Regulations of the General Shareholders' Meeting.

3.1 Modifications to adjust the Company's corporate governance regulations to the recent changes in law (Item Four on the Agenda)

The proposals for modification of Articles 19, 20, 28 and 47 and addition of a new Article 45bis of the Bylaws and modification of Articles 5, 6, 8 and 14 of the Regulations of the General Shareholders' Meeting are grouped together because they are all intended essentially to update the contents of those provisions and adapt them to the most recent changes in law. To achieve this, it is necessary to (i) complete the adaptation of those provisions to the Companies Act, begun with the reform approved at the General Shareholders' Meeting on 15 April 2011; (ii) include certain provisions deriving from the Sustainable Economy Act; and, finally, (iii) incorporate certain new features deriving from the Shareholders' Rights Act and the Royal Decree-Law on Simplification of Reporting Obligations.

3.1.1 Modification of Articles 19, 20, 28 and 47 and addition of a new Article 45bis of the Bylaws

3.1.1.1 Modification of Article 19 of the Bylaws ("Notice of Call")

The purpose of the proposed modification of Article 19 of the Bylaws is to adapt it to the wording set out in the Shareholders' Rights Act to Articles 174 (Contents of the call), 177.3 (Prior warning of the holding of the general meeting on second call), 516 (Publication of the notice of call), 517 (Contents of the notice of call) and 519 (Right to supplement the agenda and submit new proposed resolutions) of the Companies Act:

- i. The new regulation on publicising the notice of call to shareholders' meetings is introduced. The Shareholders' Rights Act has amended Article 516 of the Companies Act, reinforcing the publicity of the notice of call, requiring its publication in the Official Gazette of the Commercial Registry (BORME) or a newspaper having a large circulation, as well as on the websites of the Company and the National Securities Market Commission (CNMV).
- ii. The provisions of the Bylaws on the contents of notices of call are adapted to Articles 174 and 517 of the Companies Act, as amended by the Shareholders' Rights Act. Accordingly, in line with the first of these Articles, the list of points to be included in the notice of call is completed with a reference to the position held by the persons calling the meeting. The special regulation of the minimum contents to be included in calls to shareholders' meetings of listed companies (Article 517 of the Companies Act) is incorporated in Article 19 of the Bylaws, even though the notices of call to shareholders' meetings of Repsol already complied in practice with this standard.
- iii. The number of days' notice that must be given for the holding on second call of a Shareholders' Meeting originally called only on first call is changed to reflect the new provision of Article 177.3 of the Companies Act, which sets the minimum notice at ten days.
- iv. Finally, it has been considered convenient to add a reference to Article 519 (right to supplement the agenda and to submit new proposed resolutions) of the Companies Act as amended by the Shareholders' Rights Act, this being a special provision for listed companies.

In addition, the proposed modification improves certain technical aspects of the current wording of Article 19.

3.1.1.2 Modification of Article 20 of the Bylaws ("Power and obligation to call")

The proposal to modify Article 20 is intended to adjust its wording to the second paragraph of Article 168 of the Companies Act, as amended by the Shareholders' Rights Act. This legal reform has finally solved the inconsistency with which Spanish company law regulated the time within which directors were to call a Shareholders' Meeting requested by shareholders representing at least 5% of the capital. Under the new provision, incorporated in Article 20 of the Bylaws, the directors must call the Shareholders' Meeting to be held within two months after the date of being so requested through notarial channels.

3.1.1.3 Modification of Article 28 of the Bylaws ("Right to information")

The Shareholders' Rights Act has introduced certain new features in the right to information of shareholders of listed companies: (i) it has extended the scope of application of the right to information -both prior to and during the shareholders' meeting- to include clarifications of the auditor's report; (ii) it has extended the right to request clarifications during the shareholders' meeting to the information that the company has supplied to the CNMV since the holding of the last shareholders' meeting; and (iii) it has qualified the right to information in general, indicating that directors will not be obliged to answer specific questions from shareholders when, before those questions are asked, the information requested is clearly and directly available to all shareholders on the Company's website, in the FAQ section.

The modification introduced in Article 28 of the Bylaws aims not only to reflect these new features but also to improve and structure the current wording of this article.

3.1.1.4 Addition of a new Article 45bis of the Bylaws ("Report on the Remuneration Policy for Directors")

It is proposed inserting a new Article 45bis in the Bylaws to regulate the essential contents of the report on the remuneration policy for directors contemplated in Article 61ter of the Securities Market Act, inserted by the Sustainable Economy Act, and the obligation to put it to an advisory vote by the Shareholders' Meeting under a separate item of the agenda.

3.1.1.5 Modification of Article 47 of the Bylaws ("Website")

The proposal also affects Article 47 of the Bylaws, which regulates the contents of the Company's website, because the Shareholders' Rights Act has incorporated in Articles 518 and 525 of the Companies Act certain mandatory provisions on information prior to shareholders' meetings that must be posted on the corporate website and the publication of the results of votes on the resolutions adopted by the shareholders' meeting, respectively.

Thus, in line with the new wording of Article 518 of the Companies Act, the proposal specifies that the information on the Shareholders' Meeting shall be permanently available from the date of publication of the call to the date of the meeting and reproduces the legal provisions on the contents of that information. As regards the results of voting, the proposal introduces in the Bylaws the details to be indicated in that information and the time within which it must be posted on the website (five days after the meeting), pursuant to the new wording of Article 525 of the Companies Act.

In addition, the reform indicates the current address of Repsol's website (www.repsol.com) and, in line with the new Article 11bis of the Companies Act (introduced by the Shareholders' Rights Act and amended by the Royal Decree-Law on Simplification of Reporting Obligations), authorizes the Board to modify, move or eliminate the website and to modify the Bylaws accordingly. It is contemplated that the resolution to modify, move or eliminate the website shall be entered in the Company's page of the Commercial Registry and published in the Official Gazette of the Commercial Registry and on the modified, moved or eliminated website for thirty days after insertion of the resolution.

Finally, the reform expressly establishes the right of any shareholder to access and download information free of charge from the website, pursuant to the new Article 11ter of the Companies Act, introduced by the Royal Decree-Law on Simplification of Reporting Obligations.

3.1.2 Modification of Articles 5, 6, 8 and 14 of the Regulations of the General Shareholders' Meeting

3.1.2.1 Modification of Article 5 of the Regulations of the General Shareholders' Meeting ("Notice of call")

The Shareholders' Rights Act has reformed certain aspects regarding the notice of call and information prior to the Shareholders' Meeting, inter alia modifying Articles 174 (contents of

the call), 168 (time within which a shareholders' meeting requested by minority shareholders is to be held), 177.3 (Prior warning of the holding of the general meeting on second call), 516 (Publication of the notice of call), 517 (Contents of the notice of call) and 519 (Right to supplement the agenda and submit new proposed resolutions) of the Companies Act.

The modification of Article 5 of the Regulations of the General Shareholders' Meeting is made to adapt it to the new wording of the aforesaid legal provisions and, therefore, it corresponds to the proposed reform of Articles 19 and 20 of the Bylaws:

- i. In Article 5.1, (i) the new regulation of publication of the notice of call to shareholders' meetings is introduced (Article 516 of the Companies Act); (ii) the list of points to be included in the notice of call is completed (Articles 174 and 517 of the Companies Act); and (iii) the number of days' notice that must be given for the holding on second call of a Shareholders' Meeting originally called only on first call is also changed, pursuant to Art. 177.3 of the Companies Act, now set at ten.
- ii. Article 5.2 is modified to contemplate the new time (two months from the corresponding notarial request) in which a shareholders' meeting must be called at the request of minority shareholders (Article 168 of the Companies Act).
- iii. A reference is added in Article 5.3 to Article 519 (right to supplement the agenda and submit new proposed resolutions) of the Companies Act as amended by the Shareholders' Rights Act and the reference to the form of publication of the supplement is eliminated, having become obsolete.

3.1.2.2 Modification of Article 6.2 of the Regulations of the General Shareholders' Meeting ("Shareholders' right to attend and to information")

The Shareholders' Rights Act has introduced certain new features in the right to information of shareholders of listed companies. Those new features (described in detail in section 0 of this report on modification of Article 28 of the Bylaws) have been reflected in Article 6.2 of the Regulations of the General Shareholders' Meeting.

3.1.2.3 Modification of Article 8 of the Regulations of the General Shareholders' Meeting ("Proxies")

The Shareholders' Rights Act has also modified the shareholders' right to be represented at shareholders' meetings (Articles 522 to 524 and 526 of the Companies Act), mainly to reinforce the control measures for conflicts of interest. The proposal to modify Article 8 of the Regulations aims to incorporate these new features in Repsol's internal regulations:

- i. In Article 8.1 the proposal eliminates the limitations on the number of shareholders that can be represented by one proxy and introduces the express recognition that when one proxy represents several shareholders, he may vote differently for each shareholder. The wording of paragraph four is also improved, specifying that if the voting instruction boxes are not marked on the proxy card, the represented shareholder will be deemed to have issued specific instructions to vote for the items on the agenda. Finally, the obligation is introduced to keep the voting instructions for one year.
- ii. Article 8.2 substantially reproduces the regulation of conflicts of interest of the proxy set out in Article 523 of the Companies Act. It provides that the proxy must inform the shareholder in detail of any conflict of interest (including any arising after his appointment) and that if a proxy has not advised the shareholder of a conflict of interest, he must abstain from voting unless he has received specific instructions from the shareholder. This regulation is completed with the definition of a number of cases which will in any case be considered conflicts of interest.
- iii. Article 8.3., in turn, incorporates the regulation of conflicts of interest if the director files a public request for representation under Article 526 of the Companies Act. In particular, and inter alia, it is specified that no conflict of interest will be deemed to exist if the represented shareholder has issued precise voting instructions for each item.

3.1.2.4 Modification of Article 14(iv) of the Regulations of the General Shareholders' Meeting ("Voting on proposed resolutions")

It is proposed substituting in Article 14(iv) of the Regulations of the General Shareholders' Meeting a legal reference that has become out of date as a result of the Shareholders' Rights Act (which renumbered the former Article 514 of the Companies Act as Article 526).

3.1.3 Comparative tables

To facilitate comparison of the existing wording of the articles for which modifications are proposed under Item Forth on the Agenda with the re-drafted wording resulting from the proposed modifications, a transcript of both wordings is inserted below in two columns, purely for informative purposes.

A. Bylaws

Current wording	Proposal of amendment
<p>Article 19 Notice of call</p> <p>Ordinary and extraordinary shareholders' meetings will be called by the board in a notice published in the Official Gazette of the Mercantile Registry and the company website (www.repsol.com) at least one month prior to the date of the meeting, other than if longer notice is required by law, in which case the legal provisions will be heeded. The notice of call published on the Company's website shall be accessible on the same at least until the date of the meeting.</p>	<p>Article 19 Notice of call</p> <p>Ordinary and extraordinary shareholders' meetings will be called by the board in a notice published in the Official Gazette of the Mercantile Registry as stipulated in law and the company website (www.repsol.com) in this Bylaws at least one month prior to the date of the meeting, other than if longer notice is required by law, in which case the legal provisions will be heeded. The notice of call shall be published at least in the following media: (i) the Official Gazette of the Commercial Registry and one of the daily newspapers having the largest circulation in Spain; (ii) the website of the National Securities Market Commission (CNMV); and (iii) the Company's website. The notice of call published on the Company's website shall be permanently available will be kept accessible on the same at least until the date of the meeting. The Board of Directors may also publish announcements in other media, if considered appropriate to give the notice of call greater publicity.</p>
<p>The notice of call shall contain the legally required information and, in any case, will express the name of the company, the date and time of the meeting on first call and the agenda of business to be transacted. It may also mention the date and time on which the shareholders' meeting is to be held on second call, if necessary. Additionally, the board of directors may publish notices in other media, if considered appropriate, to give greater publicity to the notice of call.</p>	<p>The notice of call shall contain the legally required information and, in any case, will express the name of the company, the date and time of the meeting on first call and the agenda of business to be transacted and the position of the person or persons calling the meeting. It may also mention the date and time on which the shareholders' meeting is to be held on second call, if necessary. Additionally, the board of directors may publish notices in other media, if considered appropriate, to give greater publicity to the notice of call.</p> <p>In this case, there must be at least twenty-four hours between the first and second calls. The notice of call shall also indicate the date as of which shareholders must have registered in their name the shares entitling them to attend and vote at the Shareholders' Meeting, how and where copies of the full wording of the documents and proposed resolutions can be obtained and the address of the Company's website where the information is available.</p> <p>In addition, the notice shall contain clear, precise details of the procedures for attending and voting at the General Shareholders' Meeting, with particular mention of the following:</p>

The General Meeting will be held in the place indicated in the notice of call, within the municipality in which the Company has its registered office. However, the Meeting may be held in any other place in the country if established by the board of directors in the notice of call.

There will be at least twenty-four hours between the first and second meetings.

If the shareholders' meeting, duly called, is not held on first call and no date has been specified in the notice of call for the second, this will be announced subject to the same requisites of publicising as the meeting on first call, within fifteen days after the inquorate meeting and at least eight days prior to the date of the second meeting.

Shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda. This right will be exercised by sending attested notice, showing that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice will be published in the Official Gazette of the Mercantile Registry and the company website at least fifteen days prior to the date scheduled for the meeting.

Article 20 Power and obligation to call shareholders' meetings

The board may call Extraordinary Ordinary Shareholders' meetings whenever this is considered in the interests of the company.

~~a) The right to request information, include new items on the agenda and submit proposals for resolutions, and the time within which these rights may be exercised. If it is stated that more detailed information on these rights is available on the Company's website, the notice may merely indicate the time for exercising them.~~

~~b) The procedure for proxy voting, with special mention of the forms to be used for proxy voting and the means to be used for the company to accept electronic notification of the proxies granted.~~

~~c) The procedures established for distance voting, whether postal or electronic.~~

The General Meeting will be held in the place indicated in the notice of call, within the municipality in which the Company has its registered office. However, the Meeting may be held in any other place in the country if established by the board of directors in the notice of call.

~~There will be at least twenty-four hours between the first and second meetings.~~

If the shareholders' meeting, duly called, is not held on first call and no date has been specified in the notice of call for the second, this will be announced subject to the same requisites of publicising as the meeting on first call, within fifteen days after the inquorate meeting and at least ~~ten~~ eight days prior to the date of the second meeting.

~~Pursuant to Article 519 of the Companies Act, shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda, provided the new items are accompanied by a justification or, where appropriate, a justified proposed resolution. This right will be exercised by sending attested notice, showing that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice will be published in the Official Gazette of the Mercantile Registry and the company website at least fifteen days prior to the date scheduled for the meeting.~~

Article 20 Power and obligation to call shareholders' meetings

The board may call Extraordinary Ordinary Shareholders' meetings whenever this is considered in the interests of the company.

Shareholders' meetings shall also be called whenever requested by shareholders representing at least five per cent of the capital, stating in their request the business to be transacted. In this case, the board shall call the general meeting within fifteen days of being so required through notarial channels, complying with the minimum notice stipulated in law.

The board shall draw up the agenda, necessarily including the items stated in the request.

Article 28 Right to information

Shareholders may request in writing prior to the shareholders' meeting or orally during the meeting such reports or explanations as they may deem fit regarding the items on the agenda.

The board shall be obliged to provide such reports and information, save when, in the opinion of the chairman, publicising of the information requested could be detrimental to corporate interests.

Shareholders' meetings shall also be called whenever requested by shareholders representing at least five per cent ~~(5%)~~ of the capital, stating in their request the business to be transacted. In this case, the board ~~shall call the general meeting within fifteen days~~ shall call the shareholders' meeting to be held within two months of being so required through notarial channels, ~~complying with the minimum notice stipulated in law.~~

The board shall draw up the agenda, necessarily including the items stated in the request.

Article 28 Right to information

~~From the publication of this notice up to the seventh calendar day (inclusive) prior to the date of the Shareholders' meeting, shareholders may request in writing such further information or clarifications or submit such written questions prior to the shareholders' meeting or orally during the meeting such reports or explanations as they may deem fit regarding the items on the agenda on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders' Meeting and the Auditors' Report.~~

The board shall ~~be obliged to provide such reports and information, save when, in the opinion of the chairman, publicising of the information requested could be detrimental to corporate interests~~ provide such information in writing up to the date of the Shareholders' Meeting.

~~During the Shareholders' Meeting, shareholders may orally request such information or clarifications as they may deem fit on the business included on the agenda or request such explanations as they may deem fit on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders' Meeting and the Auditors' Report. If it is not possible to provide the requested information at that time, the board will be obliged to provide the information in writing within seven days after the end of the Shareholders' Meeting.~~

The Board will be obliged to provide any information requested in pursuance of this article, unless, in the opinion of the chairman, publicising of the information requested could be detrimental to corporate interests. Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

The Board will not be obliged to answer specific questions from the shareholders when, before those questions are asked, the information requested is clearly and directly available to all shareholders on the Company's website, in the FAQ section.

Article 45bis
Report on the Remuneration Policy for Directors

The Board will approve each year a Report on the Remuneration Policy for Directors, which will contain full, clear, comprehensible information including (i) a brief, overall account of the application of that policy in the previous year, incorporating details of the individual remunerations accrued by each of the Directors during that year, and references to (ii) the policy approved by the board for the present year, and (iii) the policy foreseeable for future years, if any.

This report shall be made available to shareholders as from the date of call to the Ordinary General Shareholders' Meeting and shall be put to an advisory vote under a separate item on the agenda

Article 47
Web site

The company shall have a web site containing information for shareholders, including the documents and information stipulated in law, and at least the following:

1. The Bylaws.
2. The Regulations of the Shareholders' Meeting.
3. The Regulations of the Board and the Regulations of the Board Committees, if any.
4. The Annual Report.
5. The Internal Conducts Regulations on the Securities Market.
6. The corporate governance reports.

Article 47
Web site

The company shall have a web site containing information for shareholders, including the documents and information stipulated in law, and at least the following:

1. The Bylaws.
2. The Regulations of the Shareholders' Meeting.
3. The Regulations of the Board and the Regulations of the Board Committees, if any.
4. The Annual Report.
5. The Internal Conducts Regulations on the Securities Market.
6. The corporate governance reports.
7. The annual reports on the remuneration policy for directors of Repsol YPF, S.A.

7. The documents for ordinary and extraordinary shareholders' meetings, with information on the agenda, the proposals submitted by the board and any relevant information that the shareholders may need to vote.

8. ~~From the date of publication of the notice of call up to the date of the Shareholders' Meeting, the following information for the Shareholders' Meeting shall be permanently available: (i) the notice of call; (ii) the total number of shares and voting rights existing at the date of the meeting, by classes of shares, if any; (iii) the documents to be submitted to the Shareholders' Meeting, particularly the reports by directors, auditors and independent experts; (iv) the full wordings of the proposed resolutions or, if they are not available, a report by the competent bodies, commenting on each of the items on the agenda and any justified proposed resolutions submitted by shareholders, as and when they are received; (v) the forms to be used for proxy and distance voting, unless the Company sends them directly to each shareholder; (vi) The documents for ordinary and extraordinary shareholders' meetings, with information on the agenda, the proposals submitted by the board and any relevant information that the shareholders may need to vote.~~

8. Information on shareholders' meetings held, particularly regarding the composition of the shareholders' meeting when declared quorate, resolutions adopted, indicating the number of votes cast and the votes for and against each of the proposals included on the agenda, or abstentions as the case may be.

~~8. Information on shareholders' meetings held, particularly regarding the composition of the shareholders' meeting when declared quorate, resolutions adopted, indicating the number of votes cast and the votes for and against each of the proposals included on the agenda, or abstentions as the case may be.~~

9. Within five days after each Shareholders' Meeting, information on the procedure of the Shareholders' Meetings held and, in particular, the composition of attendees at the beginning of the Shareholders' Meeting, resolutions adopted, indicating the voting results on each of the proposals included on the agenda. The following information shall be given for each resolution put to the vote: the minimum number of shares in respect of which valid shares have been cast, the proportion of the capital represented by those votes, the total number of votes cast, the proportion of capital represented by those votes, the total number of valid votes, the number of votes for and against each resolution and the number of abstentions, if any.

9. The communication channels existing between the Company and the shareholders and, in particular, the pertinent instructions for exercising the shareholders' right to information, indicating the postal and electronic addresses that shareholders may contact.
10. The means and procedures for granting proxies for shareholders' meetings.
11. The means and procedures for distance voting, including the forms, if any, for proving attendance and voting of Shareholders' meetings by using electronic means.
12. Significant events notified to the National Securities Market Commission (CNMV).
13. The following information on the Directors: (i) professional and biographic profile, (ii) list of other directorships they hold, (iii) indication of the type of director, indicating, in the case of proprietary directors, the shareholder they represent or with which they have ties, (iv) date of first appointment as company directors, and subsequent appointments, and (v) company shares and stock options they hold.
10. The communication channels existing between the Company and the shareholders and, in particular, the pertinent instructions for exercising the shareholders' right to information, indicating the postal and electronic addresses that shareholders may contact.
11. The means and procedures for granting proxies for shareholders' meetings.
12. The means and procedures for distance voting, including the forms, if any, for proving attendance **and voting** of Shareholders' meetings by using electronic means.
13. Significant events notified to the National Securities Market Commission (CNMV).
14. The following information on the Directors: (i) professional and biographic profile, (ii) list of other directorships they hold, (iii) indication of the type of director, indicating, in the case of proprietary directors, the shareholder they represent or with which they have ties, (iv) date of first appointment as company directors, and subsequent appointments, and (v) company shares and stock options they hold.

Shareholders will be entitled to free access to the Company's website and may download and print the information and documents posted.

The address of the Company's website shall be www.repsol.com.

The Board of Directors may resolve to modify, move or eliminate the website, in which case it will be authorized to modify the preceding paragraph of this article. The resolution to modify, move or eliminate the website shall be entered in the Company's page of the Commercial Registry and published in the Official Gazette of the Commercial Registry and on the modified, moved or eliminated website for thirty days after insertion of the resolution.

B. Regulations of the Shareholders' Meeting

Current wording	Proposal of amendment
<p>5. Notice of call</p> <p>5.1 Ordinary and extraordinary shareholders' meetings will be called by the board in a notice published in the Official Gazette of the Mercantile Registry and the company website (www.repsol.com) at least one month prior to the date of the meeting, other than when longer notice is required by law, in which case the legal provisions will be heeded.</p> <p>The notice of call published on the company website will be maintained accessible at least up to date of the Shareholders' Meeting. The Board of Directors may also publish announcements in other media, if considered appropriate, to give the notice of call greater publicity.</p>	<p>5. Notice of call</p> <p>5.1 Ordinary and extraordinary shareholders' meetings will be called by the board in a notice published as stipulated by law and in the Bylaws in the Official Gazette of the Mercantile Registry and the company website (www.repsol.com) at least one month prior to the date of the meeting, other than when longer notice is required by law, in which case the legal provisions will be heeded. The notice of call shall be published at least in the following media: (i) the Official Gazette of the Commercial Registry and one of the daily newspapers having the largest circulation in Spain; (ii) the website of the National Securities Market Commission (CNMV); and (iii) the Company's website. The notice of call published on the company website will be maintained permanently accessible at least up to the date of the Shareholders' Meeting. The Board of Directors may also publish announcements in other media, if considered appropriate, to give the notice of call greater publicity.</p>
<p>The General Shareholders' Meeting will be held in the place indicated in the notice of call, within the city in which the Company has its registered office. However, the meeting may be held anywhere else in Spain if so indicated by the Board of Directors in the notice of call.</p> <p>The notice of call shall state the name of the Company, the date and time of the meeting on first call and all business to be dispatched shall be included in the agenda. It shall also contain the date and time for holding the meeting on second call, if necessary. There must be at least twenty-four hours between the first and second calls. The notice of call shall also indicate the place and times at which shareholders may consult the documents to be laid before the general meeting and such other reports as may be required by law or decided by the board, without prejudice to the right of shareholders to request and receive, free of charge, copies of all the above-mentioned documents.</p>	<p>The General Shareholders' Meeting will be held in the place indicated in the notice of call, within the city in which the Company has its registered office. However, the meeting may be held anywhere else in Spain if so indicated by the Board of Directors in the notice of call.</p> <p>The notice of call shall state the name of the Company, the date and time of the meeting on first call and, all business to be dispatched and the position of the person or persons calling the meeting, shall be included in the agenda: It shall also contain the date and time for holding the meeting on second call, if necessary. There must be at least twenty-four hours between the first and second calls. The notice of call shall also indicate indication of the place and times at which shareholders may consult the documents to be laid before the general meeting and such other reports as may be required by law or decided by the board, without prejudice to the right of shareholders to request and receive, free of charge, copies of all the above-mentioned documents the date as of which shareholders must have registered in their name the shares entitling them to attend and vote at the Shareholders' Meeting, how and where copies of the full wording of the documents and proposed resolutions can be obtained and the address of the Company's website where the information is available. In addition, the notice shall contain clear, precise</p>

If the duly called Shareholders' Meeting is not held on first call and no date has been specified for second call, the second meeting shall be called subject to the same publicity requirements within fifteen days after the inquorate meeting and at least eight days prior to the date of the meeting on second call.

The notice of call will be sent to the Spanish Securities Market Commission and a copy of the same will be sent to the stock exchanges on which the shares are listed and the entities at which the shares are deposited, so that they can issue the attendance cards.

5.2. The board shall call an extraordinary shareholders' meeting whenever so requested by shareholders holding at least five per cent of the capital, stating the business to be discussed in the request. In this case, the board shall call the shareholders' meeting within fifteen days of being so required through notarial channels, complying with the minimum notice stipulated in law.

5.3. Shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda. This right will be exercised by sending attested notice, showing that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice will be published in the Official Gazette of the Mercantile Registry and the company website at least fifteen days prior to the date scheduled for the meeting.

details of the procedures for attending and voting at the General Shareholders' Meeting, with particular mention of the following:

a) The right to request information, include new items on the agenda and submit proposals for resolutions, and the time within which these rights may be exercised. If it is stated that more detailed information on these rights is available on the Company's website, the notice may merely indicate the time for exercising them.

b) The procedure for proxy voting, with special mention of the forms to be used for proxy voting and the means to be used for the company to accept electronic notification of the proxies granted.

c) The procedures established for distance voting, whether postal or electronic.

If the duly called Shareholders' Meeting is not held on first call and no date has been specified for second call, the second meeting shall be called subject to the same publicity requirements within fifteen days after the inquorate meeting and at least **eight ten** days prior to the date of the meeting on second call.

A copy of the notice of call will be sent to the Spanish Securities Market Commission and a copy of the same will be sent to the stock exchanges on which the shares are listed and the entities at which the shares are deposited, so that they can issue the attendance cards.

5.2. The board shall call an extraordinary shareholders' meeting whenever so requested by shareholders holding at least five per cent **(5%)** of the capital, stating the business to be discussed in the request. In this case, the board shall call the shareholders' meeting **within two months within fifteen days** of being so required through notarial channels. **complying with the minimum notice stipulated in law**

5.3. Pursuant to Article 519 of the Companies Act, shareholders representing at least five per cent (5%) of the capital may request the publication of a supplementary notice of call to add one or several items to the agenda, **provided the new items are accompanied by a justification or, where appropriate, a justified proposed resolution.** This right will be exercised by sending attested notice, showing that the aforesaid percentage of the capital is held, to be received at the registered office within five days after publication of the original notice of call. The supplementary notice will be published **in the Official Gazette of the Mercantile Registry and the company website** at least fifteen days prior to the date scheduled for the meeting.

5.4. In addition to the requirements stipulated in law or the bylaws, as from the date of publication of the notice of call to the shareholders' meeting, the company shall publish on its web site the wording of all proposed resolutions submitted by the board in connection with the items on the agenda, including the information contemplated in Article 47.13 of the bylaws for the appointment of directors. An exception may be made to this rule for proposals which the law and bylaws do not require to be made available to shareholders as from the notice of call, if the board considers there are just grounds for not doing so.

If a supplementary notice of call is published, the company shall thereafter publish on its web site the wording of the proposal for resolutions contained in that supplementary notice, provided they have been sent to the company.

6. Shareholders' right to participation and information

[First paragraph without amendments]

6.2. Up to seven days prior to the date on which the shareholders' meeting is to be held, shareholders may, through the Shareholders' Office and after evidencing their shareholder status, request the board to provide such information or explanations as they may consider necessary regarding the business included on the agenda, or submit such written questions as they may deem fit. Shareholders may also request information or explanations or submit written questions regarding the information available to the public supplied by the company to the National Securities Market Commission since the last shareholders' meeting.

5.4. In addition to the requirements stipulated in law or the bylaws, as from the date of publication of the notice of call to the shareholders' meeting, the company shall publish on its web site the wording of all proposed resolutions submitted by the board in connection with the items on the agenda, including the information contemplated in Article 47.1314 of the bylaws for the appointment of directors. An exception may be made to this rule for proposals which the law and bylaws do not require to be made available to shareholders as from the notice of call, if the board considers there are just grounds for not doing so.

If a supplementary notice of call is published, the company shall thereafter publish on its web site the wording of the **justified** proposal for resolutions contained in that supplementary notice, provided they have been sent to the company.

6. Shareholders' right to participation and information

[First paragraph without amendments]

6.2. Up to seven days prior to the date on which the shareholders' meeting is to be held, shareholders may, through the Shareholders' Office and after evidencing their shareholder status, request the board to provide such information or explanations as they may consider necessary regarding the business included on the agenda, or submit such written questions as they may deem fit. **Shareholders may also request information or explanations or submit written questions regarding the information available to the public supplied by the company to the National Securities Market Commission since the last shareholders' meeting. Shareholders may also request in writing such explanations as they may consider necessary regarding the information available to the public supplied by the company to the National Securities Market Commission since the last Shareholders' Meeting and on the Auditors' Report.**

The Board shall provide such information in writing up to the date of the Shareholders' Meeting.

During the shareholders' meeting, the company's shareholders may orally request such information or explanations as they may deem fit on the business included on the agenda, and if it is not possible to provide the requested information at that time, the Board will be obliged to provide the information in writing within seven days after the end of the Shareholders' Meeting.

The Board will be obliged to provide any information requested in pursuance of this Article 6.2, unless, in the opinion of the Chairman, publicising of the information requested could be detrimental to corporate interests.

Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

8. Proxies

8.1. Any shareholder entitled to attend a shareholders' meeting may be represented by a proxy, who need not be a shareholder.

Proxies shall be made in writing or by any form of distance communication, provided that the identity of the parties is duly guaranteed and subject to whatever procedures may be established in law for this purpose. Proxies shall be granted specially for each Shareholders' Meeting, save as provided in section 187 of the Companies Act.

The board shall establish the most adequate procedure for each shareholders' meeting for granting proxies through distance communication means, in view of the legal provisions in force from time to time and the current state of technology. This procedure shall be described in detail in the notice of call.

The Board shall provide such information in writing up to the date of the Shareholders' Meeting.

During the shareholders' meeting, the company's shareholders may orally request such information or explanations as they may deem fit on the business included on the agenda, or request such explanations as they may deem fit on the information available to the public submitted by the Company to the National Securities Market Commission since the date of the previous General Shareholders' Meeting and the Auditors' Report. If it is not possible to provide the requested information at that time, the Board will be obliged to provide the information in writing within seven days after the end of the Shareholders' Meeting.

The Board will be obliged to provide any information requested in pursuance of this Article 6.2, unless, in the opinion of the Chairman, publicising of the information requested could be detrimental to corporate interests.

Information may not be so denied when the request is backed by shareholders representing at least one-quarter of the capital.

The Board will not be obliged to answer specific questions from the shareholders when, before those questions are asked, the information requested is clearly and directly available to all shareholders on the Company's website, in the FAQ section.

8. Proxies

8.1. Any shareholder entitled to attend a shareholders' meeting may be represented by a proxy, who need not be a shareholder.

One proxy may represent more than one shareholder, without any limitation on the number of shareholders represented. When one proxy represents several shareholders, he may vote differently according to the instructions issued by each one.

Proxies shall be made in writing or by any form of distance communication, provided that the identity of the parties is duly guaranteed and subject to whatever procedures may be established in law for this purpose. Proxies shall be granted specially for each Shareholders' Meeting, save as provided in section 187 of the Companies Act.

The board shall establish the most adequate procedure for each shareholders' meeting for granting proxies through distance communication means, in view of the legal provisions in force from time to time and the current state of technology. This procedure shall be described in detail in the notice of call.

The documents containing the proxies or voting delegations for the Shareholders' Meeting shall also indicate the voting instructions. If the corresponding boxes are not marked, the proxy shall vote in favour of the proposed resolutions submitted by the board on the items on the agenda. When the name of the proxy is left blank in the document delivered to the company, the Chairman of the board shall be deemed appointed to represent the shareholder in question. The shareholder's proxy may appoint a substitute to exercise the voting right in any conflict of interest.

If the voting instructions issued make no mention of business which, although not included on the agenda, is transacted at the shareholders' meeting, being so permitted by law, the proxy shall vote on such matters howsoever he may consider most favourable to the interests of his principal.

The documents containing the proxies or voting delegations for the Shareholders' Meeting shall also indicate the voting instructions. If the corresponding boxes are not marked, the represented shareholder will be deemed to have issued specific instructions to vote for proposed resolutions submitted by the board on the items on the agenda. When the name of the proxy is left blank in the document delivered to the company, the Chairman of the board shall be deemed appointed to represent the shareholder in question. The shareholder's proxy may appoint a substitute to exercise the voting right in any conflict of interest.

If the voting instructions issued make no mention of business which, although not included on the agenda, is transacted at the shareholders' meeting, being so permitted by law, the proxy shall vote on such matters howsoever he may consider most favourable to the interests of his principal.

The proxy shall keep the voting instructions and proxy document for one year after the date of the corresponding Shareholders' Meeting.

8.2. Prior to his appointment, the proxy shall inform the shareholder in detail of any conflict of interest. If the conflict arises after his appointment and he has not advised the represented shareholder of its possible existence, he shall inform the shareholder immediately. In both cases, if no new instructions are issued for each of the items on which the proxy is to vote on behalf of the shareholder, he shall abstain from voting.

There may be a conflict of interest for the purposes of this article, in particular, when the proxy is in any of the following situations:

a) If he is a controlling shareholder of the Company or of an undertaking controlled by that controlling shareholder.

b) If he is member of the board, management or supervisory bodies of the company, controlling shareholder or an undertaking controlled by the latter. If he is a director, the provisions of Article 8.3 will be applicable.

c) If he is an employee or auditor of the company, controlling shareholder or an undertaking controlled by the latter.

d) If he is an individual related party to the foregoing. Related individuals shall be: the spouse or someone who has been the spouse in the previous two years, or common-law partner or someone who has been living with the proxy in the previous two years, and the ascendants, descendants, peers and their respective spouses.

8.3. In addition to fulfilling the duties contemplated in 8.2 above, if the Company directors or any other person acting on behalf or in the interests of any one of the directors has filed a public request for representation, the director who obtains such representation may not exercise the voting right corresponding to the shares represented in respect of any items on the agenda in which he is in conflict of interest, unless he has received precise voting instructions from the represented shareholder for each of those items. Directors shall be considered in conflict of interest in respect of at least the following decisions:

- a) Their appointment, re-election or ratification as director.
- b) Their removal as director.
- c) Bringing a corporate liability action against them.
- d) The approval or ratification, where appropriate, of the Company's transactions with the relevant director, companies he controls or those represented by the director or persons acting on his behalf.
- e) Release of the director from the obligation of no competition.

The proxy form may also include any points which, although not included on the agenda for the meeting, are lawfully transacted at the Shareholders' Meeting, the provisions of this section also being applicable in those cases

14. Voting on proposed resolutions

[Sections (i) to (iii) without amendment]

(iv) The shares of shareholders who have participated in the shareholders' meeting by distance voting prior to the date thereof will not be considered present or represented at the shareholders' meeting in question for voting on resolutions concerning business not included on the agenda. Moreover, shares in respect of which voting rights cannot be exercised pursuant to article 514 of the Companies Act will not be considered represented or present for voting on any of the resolutions contemplated therein.

14. Voting on proposed resolutions

[Sections (i) to (iii) without amendment]

(iv) The shares of shareholders who have participated in the shareholders' meeting by distance voting prior to the date thereof will not be considered present or represented at the shareholders' meeting in question for voting on resolutions concerning business not included on the agenda. Moreover, shares in respect of which voting rights cannot be exercised pursuant to article ~~514~~ 526 of the Companies Act will not be considered represented or present for voting on any of the resolutions contemplated therein.

3.2 Modifications to improve the functioning of the Board of Directors and other aspects of the Company's corporate governance (Item Five on the Agenda)

The common factor of the second block of reforms (concerning the modification of Articles 27, 32, 37, 39 and addition of a new Article 45ter of the Bylaws) is the aim of reinforcing the independence of the Board and improving its functioning in accordance with the best practices and the national and international corporate governance recommendations. Within this block it is also proposed introducing another improvement in corporate governance, consisting of an explicit recognition in the Bylaws of the prohibition of vote trading.

3.2.1 Modification of Articles 27, 32, 37, 39 and addition of a new Article 45ter of the Bylaws

The individual justification of the proposals for modification of the Bylaws is set out below:

3.2.1.1 Modification of Article 27 of the Bylaws ("Discussion and adoption of resolutions")

It is proposed eliminating the current final paragraph of Article 27 of the Bylaws and substituting a new rule stipulating that voting rights may not be transferred or assigned, not even through the granting of a proxy, in exchange for any financial benefit or consideration.

The purpose of this modification of the Bylaws is to state explicitly a principle generally accepted in company law whereby "vote trading" is prohibited. The reform seeks to establish certainty and transparency regarding an unlawful practice that must be considered reprehensible from the point of view of good governance. This rule is also in line with the precautions usually recommended to mitigate the risks associated with "empty voting" (see, for example, *Statement from the European Corporate Governance Forum on empty voting and transparency of shareholder positions* of 20 February 2010) and, in general, any dissociation of the political and economic aspects of the share. Recent Spanish case law has confirmed the validity of this type of clauses, declaring that they can by no means be considered a limitation of the shareholders' right to be represented.

Furthermore, by eliminating the existing fourth paragraph, the reform of Article 27 of the Bylaws completes the adaptation of that article to the Companies Act, begun and largely completed at the last Ordinary General Shareholders' Meeting. Consequently, the limitation on the maximum number of votes that may be cast by one shareholder or companies in its group to 10% of the capital is eliminated. As from 1 July 2011, this paragraph must be deemed tacitly repealed by Article 527 of the Companies Act. It is considered convenient, therefore, to eliminate it entirely from the Bylaws.

3.2.1.2 Modification of Article 32 of the Bylaws ("Qualitative composition of the Board")

The modification of Article 32 affects indent c) and the last paragraph:

- i. In indent c), it is proposed incorporating recommendation no. 29 of the Good Governance Code to limit the term of office of independent directors to twelve years. Although the Company already complies with this recommendation (none of its independent directors has been in office for twelve years), it has been considered convenient to crystallize this rule in the Bylaws. The Company's commitment to scrupulously heeding the independence criteria that have been widely proposed in the different corporate governance forums is thus made clear and patent.
- ii. The last paragraph of Article 32 includes a modification containing an express reference to the application of diversity policies in the selection of candidates for the position of director. This provision is directly inspired by point 1.1 of the European Commission Green Paper, Board composition, which places special emphasis on professional, international and gender diversity in the selection of board members. The recommendation is based on the principle, shared by the Board, that "diversity in the members' profiles and backgrounds gives the board a range of values, views and sets of competencies", corresponding to an increasingly more widely extended principle in international practice and in line with Recommendation 15 of the Unified Code. Recommendation B.1.2 of the *UK Corporate Governance Code*, is illustrative in this regard, taking account of the benefits of diversity when nominating new directors.

3.2.1.3 Modification of Article 37 of the Bylaws ("Committees of the Board") and modification of the first paragraph of Article 39 of the Bylaws ("Audit and Control Committee")

The duties of the Nomination and Compensation Committee and the Audit and Control Committee refer to three areas in which the possibility of conflicts of interest in management or majority shareholders is particularly large, i.e. the appointment of directors, their remuneration, auditing and awareness of related party transactions. Therefore, the good corporate governance guidelines and recommendations and current laws and regulations stress that the composition of these committees must offer sufficient guarantees of independence in the face of potential conflicts of interests. Examples of this can be found in Recommendation 44 of the Unified Code (which recommends that all their members should be non-executives and their chairmen independent), section VI.E.1 of the OECD Principles of Corporate Governance 2004 (which mentions "sufficient number of non-executive board members"), the Commission Recommendation 2005/162/EC of 15 February 2005 (on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, applicable to listed companies), sections 303A.04 and 303A.05 of the *Corporate Governance Listing Standards of the New York Stock Exchange* (regarding the nomination and compensation committees), and the recent reform of Additional Provision Eighteen of the Securities Market Act regulating the Audit Committee (which requires the majority of the committee members to be non-executive directors and at least one of them to be independent).

The Repsol internal regulations already comply with these provisions and, in fact, in early 2011 they were appropriately adapted to the reform of the Securities Market Act. At present they provide that all members of both committees will be non-executive directors and that on the Audit and Control Committee at least one of them must be independent and on the Nomination and Compensation Committee the majority must be independent. In practice, all the present members of the Audit and Control Committee are independent.

However, owing to the importance and sensitivity of the duties of these committees, the Board considers it positive to introduce additional guarantees of independence in their composition, providing that all the members of the Audit and Control Committee must be non-executive independent directors. This will guarantee that the members of this committee are not only non-executives and, as such, independent from management, but that they are also free from any other influences that could give rise to conflicts of interest (e.g. deriving from their relationships with the shareholders at whose request they were appointed). The reform proposed will include this rule in the articles of association. With regard to the Nomination and Compensation Committee, although it is expressly stipulated that all the members must be non-executive directors and most of them independent, it has not been considered appropriate to establish a similar regime, since it does not seem necessary to remove or set aside some of the most distinctive powers of this Committee -selection and/or assessment of candidates for the board or remuneration of executive directors and senior management- from the business criteria of the majority shareholders, who have especially powerful incentives to ensure that the candidates and remunerations are adequate.

The purpose of modifying Articles 37 and 39 is to specifically reflect these new rules in the composition of the Nomination and Compensation Committee and the Audit and Control Committee of the Company.

3.2.1.4 Addition of a new Article 45ter of the Bylaws ("External Board assessment")

The reform proposes adding a new Article 45ter of the Bylaws to institutionalize at the highest level of internal regulation the regular external assessment of the Board. This measure is inspired by the European Commission Green Paper (paragraph 1.3) and recommendation B.6.2 of the UK Corporate Governance Code, which will contribute towards constant improvement of the performance of the Board, its committees and the dedication of their members. The provision contemplates the basic aspects to which assessment would generally be limited.

3.2.2 Comparative table

To facilitate comparison of the existing wording of the articles for which modifications are proposed under Item Five on the Agenda with the re-drafted wording resulting from the proposed modifications, a transcript of both wordings is inserted below in two columns, purely for informative purposes.

A. Bylaws

Current wording	Proposal of amendment
<p>Article 27 Discussion and adoption of resolutions Once the meeting has been declared open, the secretary shall read out the items on the agenda. Following the report by the Chairman of the Board and any persons he may have authorized to speak, the Chairman will give the floor to any shareholders who so request, directing the debate and confining it to the agenda, save as provided in Articles 223.1 and 238 of the Companies Act. The Chairman will close the debate when he considers the subject sufficiently discussed, and will then put the proposed resolutions to the vote. Resolutions shall be adopted by the majority of the voting capital present and represented at the Shareholders' Meeting, save as otherwise provided in law or these Bylaws.</p>	<p>Article 27 Discussion and adoption of resolutions Once the meeting has been declared open, the secretary shall read out the items on the agenda. Following the report by the Chairman of the Board and any persons he may have authorized to speak, the Chairman will give the floor to any shareholders who so request, directing the debate and confining it to the agenda, save as provided in Articles 223.1 and 238 of the Companies Act. The Chairman will close the debate when he considers the subject sufficiently discussed, and will then put the proposed resolutions to the vote. Resolutions shall be adopted by the majority of the voting capital present and represented at the Shareholders' Meeting, save as otherwise provided in law or these Bylaws.</p>

No single shareholder or the companies of any one group may cast votes at shareholders' meetings in excess of 10% of the total voting capital. For this purpose, the companies controlled by another company as defined in article 4 of the current Securities Market Act of 28 July 1988 shall be deemed to belong to the same group. Irrespective of the voting constraint established in this article, all shares attending the shareholders' meeting shall be counted for the purpose of quorum.

~~No single shareholder or the companies of any one group may cast votes at shareholders' meetings in excess of 10% of the total voting capital. For this purpose, the companies controlled by another company as defined in article 4 of the current Securities Market Act of 28 July 1988 shall be deemed to belong to the same group. Irrespective of the voting constraint established in this article, all shares attending the shareholders' meeting shall be counted for the purpose of quorum.~~

Voting rights may not be transferred or assigned, not even through the granting of a proxy, in exchange for any financial benefit or consideration

Article 32

Qualitative composition of the board

The board shall consist of the following types of director:

- a. Executive directors: those performing executive or senior management duties within the company. Any directors who have permanently been delegated general powers of the board and/or are bound by top management or service contracts to provide full-time executive services shall be considered executive directors.
- b. Non-executive proprietary directors: those proposed by holders of significant stable interests in the capital of the company, representing a strategic value for the latter.
- c. Non-executive independent directors: those not included in the other two categories, appointed on the strength of their recognised personal and professional standing and their experience and expertise in the corresponding duties, having no connection with the management or majority shareholders.

Article 32

Qualitative composition of the board

The board shall consist of the following types of director:

- a. Executive directors: those performing executive or senior management duties within the company. Any directors who have permanently been delegated general powers of the board and/or are bound by top management or service contracts to provide full-time executive services shall be considered executive directors.
- b. Non-executive proprietary directors: those proposed by holders of significant stable interests in the capital of the company, representing a strategic value for the latter.
- c. Non-executive independent directors: those not included in the other two categories, appointed on the strength of their recognised personal and professional standing and their experience and expertise in the corresponding duties, having no connection with the management or majority shareholders. Non-executive independent directors may not remain in office as such for a period of more than twelve years

Notwithstanding the sovereignty of the general meeting and efficiency of the proportional system, which is compulsory in any cases of share-pooling contemplated in the Companies Act, the shareholders' meeting, and the board when proposing appointments to the shareholders' meeting and exercising its powers of cooptation to fill vacancies, will ensure that the number of non-executive board members considerably outweighs the number of executive directors.

Notwithstanding the sovereignty of the general meeting and efficiency of the proportional system, which is compulsory in any cases of share-pooling contemplated in the Companies Act, the shareholders' meeting, and the board when proposing appointments to the shareholders' meeting and exercising its powers of cooptation to fill vacancies, will ensure that (i) that the number of non-executive board members considerably outweighs the number of executive directors; and (ii) that such professional, international and gender diversity policies as may be adequate for the company's business from time to time are applied.

Article 37 Committees of the Board

The board may create such executive and advisory committees as it may deem fit to deal with the matters within their competence, appointing the directors who are to sit on such committees.

The board shall in any case appoint an Audit and Control Committee and a Nomination and Compensation Committee.

Article 39 Audit and Control Committee

The company will have an Audit and Control Committee, consisting of at least three directors appointed by the board, who will have sufficient capacity, experience and dedication to perform the corresponding duties. All the members of this committee will be outside or non-executive directors. At least one of its members will be an external, independent member and will be appointed taking into consideration their knowledge and experience in matters of accounting, auditing or both. One of such members will be appointed chairman of the committee, who will be replaced every four years, becoming eligible for re-election one year after retirement from the position.

[Other sections without amendment]

Article 37 Committees of the Board

The board may create such executive and advisory committees as it may deem fit to deal with the matters within their competence, appointing the directors who are to sit on such committees.

The board shall in any case appoint an Audit and Control Committee, **on the terms set out in Article 39 of these Bylaws**, and a Nomination and Compensation Committee, **all the members of which shall be non-executive directors and the majority shall be non-executive independent directors**.

Article 39 Audit and Control Committee

The company will have an Audit and Control Committee, consisting of at least three directors appointed by the board, who will have sufficient capacity, experience and dedication to perform the corresponding duties. All the members of this committee will be **outside or non executive independent** directors. At least one of its members will be **an external, independent member and will be** appointed taking into consideration their knowledge and experience in matters of accounting, auditing or both. One of such members will be appointed chairman of the committee, who will be replaced every four years, becoming eligible for re-election one year after retirement from the position.

[Other sections without amendment]

**Article 45ter
External Board assessment**
With the frequency it shall determine and at least once every three years, the Board shall commission an external assessment of its performance to an independent specialised firm. This assessment shall include an analysis of the composition, organization and functioning of the Board as a body corporate and an evaluation of the competence and efficiency of each of its committees and members, particularly including the Chairman

3.3 Modifications designed to reinforce the protection of the Company against conflicts of interest (Item Six on the Agenda)

This section includes the modifications designed essentially to strengthen the measures for protecting the Company's corporate interests in conflicts of interest, deriving in particular from related party transactions and situations of competition. It consists of modification of Article 22 and the addition of new Articles 22bis and 44bis of the Bylaws and modification of Articles 3, 9 and 13 of the Regulations of the General Shareholders' Meeting.

3.3.1 Modification of Article 22 and addition of new Articles 22bis and 44bis of the Bylaws

The individual justification of the proposals for modification of the Articles of Association is set out below:

3.3.1.1. Modification of Article 22 of the Bylaws ("Special resolutions, quorums and voting majorities")

The proposed modification of Article 22, apart from responding to the third objective of the reform (strengthening of the guarantees applicable in related party transactions and conflicts of interest), adjusts that provision to the Companies Act, in line with the first objective (introduction of new aspects in law), completing the adaptation to that Act begun at the General Shareholders' Meeting of 15 April 2011:

- i. Firstly, the requirement of a special resolution to alter the limitation of the maximum number of votes that may be cast by a single shareholder at the Shareholders' Meeting, contemplated in the existing Article 27 of the Bylaws, in consideration of the fact that, following the entry into force of Article 515 of the Companies Act (1 July 2011) (now renumbered as Article 527 of the same Act), the corresponding clause has been rendered null and void.
- ii. Secondly, for systematic reasons, it has been considered appropriate to include a reference in the provision to the new special resolutions introduced by this reform, namely: (i) the modifications of Articles 22bis and 44bis of the Bylaws; (ii) the authorization of significant related party transactions; and (iii) the releasing of directors by the shareholders' meeting from the prohibition of competition.

3.3.1.2 Addition of a new Article 22bis of the Bylaws ("Related party transactions")

One of the measures to increase the control of conflicts of interest is the clause contained in Article 22bis intended to reinforce the guarantees applicable to related party transactions between the Company and its majority shareholders or its directors which are particularly important by virtue of the large amounts of the transactions or the strategic nature of the objects. This clause is inspired by the amended Article 22 of the Regulations of the Board of Directors, which was modified on 25 January 2012 to adapt it to certain minor or technical innovations in the planned regulatory provision.

The risk for corporate interests and, by extension, the interests of its minority shareholders may involve certain related party transactions between a company and its majority shareholders or its directors that has been discussed repeatedly in the most important corporate governance forums. In fact, many of the guidelines of prestigious international institutions contain some recommendation on this matter. This is the case of the recent recommendation by the *European Corporate Governance Forum* (body that counsels the European Commission on the best corporate governance practices) of 10 March 2011 and the European Commission Green Paper "*The EU corporate governance framework*" of 5 April 2011 (the "*European Commission Green Paper*"), but also the older *Principles of Corporate Governance* of the *American Law Institute*. The laws and regulations applicable to listed companies in some of our neighbouring countries have also echoed this concern. The case of the United Kingdom is significant, for example, where the *Listing Rules* –issued by the *Financial Services Authority*– contain an entire chapter on related party transactions (*Chapter 11*) or Italy, where the *Commissione Nazionale per le Società e la Borsa* approved and reformed regulations on this matter in 2010 (*Regolamento recante disposizioni in materia di operazioni con parti correlate, adottato dalla Consob con delibera n. 17221 del 12 marzo 2010 e successivamente modificato con delibera n. 17389 del 23 giugno 2010*). The proposed article on related party transactions is inspired precisely by those publications.

The new Article 22bis addresses only certain particularly important related party transactions, which it submits to a special regime of analysis and approval by the shareholders' meeting, while other cases are subject to the ordinary rules on authorization or exemption by the Board established in the current Regulations of the Board of Directors. In fact, after limiting its scope of application to certain transactions that exceed a threshold of 5% of the consolidated assets of the Group (except actions or resolutions that merely develop or execute strategic alliances previously approved by the shareholders' meeting) or with a strategic object, the proposal requires those significant related party transactions firstly to meet an essential requirement: they must be fair and efficient for the company's interests.

Secondly, following Recommendation 2.7.2 of the European Commission Green Paper, a previous report must be issued on those related party transactions by an independent expert of good standing in the financial community indicating that the related party transaction is made on reasonable, arm's length terms. The proposal also requires a report by the Nomination and Compensation Committee on fulfilment of the requirement mentioned in the previous paragraph.

Thirdly, also following the recommendations of the European Commission Green Paper, the proposal requires the related party transactions in question to be authorized by the General Shareholders' Meeting (with the exception indicated herein below) and that beforehand, to ensure that the Shareholders' Meeting called to authorize the transaction, has sufficient

information to form an opinion and in view of the complexity normally encountered for assessing this type of situation, the reports contemplated in the preceding section (together with an additional report by the Board, as the case may be) must be made available to shareholders. Fourthly, the reform addresses one of the classical problems of related party transactions contemplated in doctrine and dealt with by some international recommendations on corporate governance: guaranteeing that the significant related party transaction is approved by the majority of the disinterested capital, as established in the *Principles of Corporate Governance* of the *American Law Institute* in section 5.10 and in the declaration by the *European Corporate Governance Forum* on related party transactions of 10 March 2011 (proposing that certain significant related party transactions be put to the vote at the Shareholders' Meeting but excluding the related party from voting). In the same sense, LR 11.1.7 of the *Listing Rules* of the *Financial Services Authority* prohibits the related party from voting on the relevant resolution. In turn, the Italian regulation (Article 11.3 of the *Regolamento recante disposizioni in materia di operazioni con parti correlate*) provides that if, even though an unfavourable report has been passed on the significant related party transaction by a committee of independent directors, the general meeting approves that transaction with the votes against of the majority of disinterested capital, the transaction cannot be concluded (although the transaction may go ahead if the disinterested shareholders present at the meeting represent at least 10% of the total voting rights or such lower percentage as may be determined by the company in its internal regulations).

The condition that the transaction be approved by the majority of disinterested capital is justified by the high risk that the decision adopted by the shareholders' meeting may benefit one shareholder to the detriment of the corporate interests when the resolution has been adopted with the decisive votes of the shareholder or shareholders in conflict of interest and has been rejected by most of the remaining capital. For this purpose, it has been considered appropriate to include in the proposal a qualified majority of 75% of the capital present and represented, in the belief that, owing to the Company's ownership structure, it will thus be possible to ensure that if the related party transaction in question is approved, it is backed by the shareholders having no interest in the transaction. Instead of using the direct technique of prohibiting exercise of the right to vote (as in the rules governing limited liability companies in Spain and proposed by the above-mentioned authority documents), it has been preferred to use the equivalent indirect technique of raising the required voting majorities, which is more common practice in Spain.

Finally, in order to avoid an excessively unyielding system in an environment requiring at all times an adequate capacity to react, an exception has been included to the general rule of submitting significant related party transactions to the Shareholders' Meeting. The replies by governments, supervisory authorities, issuers and other bodies received by the European Commission to the questions raised in the Green Paper have revealed that the Shareholders' Meeting is not always the most adequate forum for deciding on related party transactions (see the document "*Feedback Statement Summary of Responses to the Commission Green Paper*" of 15 November 2011). The calling and preparation of a shareholders' meeting of a listed company is an arduous process entailing certain time and the investment of considerable resources. Since it is not possible to rule out *a priori* that in certain cases there may be reasons of opportunity making it advisable not to wait for the next shareholders' meeting to approve certain related party transactions, the planned reform provides that in those cases the transaction in question may be approved by the board, provided that (i) the report by the Nomination and Compensation Committee, which the proposal contemplated in this report establishes as mandatory, is favourable, and (ii) the resolution is adopted with the favourable votes of at least two-thirds of the Board members who are not affected by the conflict of interest. The Board shall in any case be obliged to report on the terms and conditions of the transaction at the next Shareholders' Meeting held thereafter.

3.3.1.3 Addition of a new Article 44bis of the Bylaws ("Prohibition of competition")

The purpose of inserting in the Bylaws of a new Article 44bis is to regulate the directors' obligation not to compete with the Company. The Bylaws did not previously contain any specific indication of this obligation, merely mentioning in Article 44 the general duty of loyalty, the aforesaid obligation being a specific aspect of that general duty. In the internal regulations of Repsol, Article 19 of the Regulations of the Board of Directors was, and is, the only provision that addresses this matter and offers the existing regulation of these cases. Although this is adequate –and, in fact, the wording of the new Article 44bis of the Bylaws is very similar to that of the amended Article 19 of the Regulations– the Board considers that in the present circumstances its consolidation in the Articles is highly recommendable to guarantee due protection of the corporate interests.

The essence of the proposal is the prohibition for directors to engage, for their own or third party account, in activities competing with the Company, as now expressly stipulated in Article 230 of the Companies Act. By exception, situations of competition by directors will be acceptable or exempted if they meet certain conditions that guarantee they will not be detrimental to corporate interests, particularly those set out below:

- i. The benefits that the Company expects to obtain from that situation outweigh the damage it may foreseeably suffer. The formulation of this rule, with elementary logic, is inspired by the *Principles of Corporate Governance* of the *American Law Institute*.
- ii. A report is issued by the Nomination and Compensation Committee on the situation of competition and, particularly, fulfilment of the fundamental condition mentioned in the preceding paragraph, after said Committee has (a) heard the interested party; and (b) requested a report from an independent external consultant of good standing in the financial community. To ensure that the Shareholders' Meeting has sufficient information to form an opinion when it adopts the resolution on this exemption, both reports (together with an additional report by the Board, as the case may be) must be made available to shareholders. The director involved will be entitled to explain at the Shareholders' Meeting the reasons backing his request for the exemption.
- iii. The Shareholders' Meeting expressly exempts the situation of competition. It should be noted that this rule is binding on the Company, since Article 230.1 of the Companies Act extended its application (formerly affecting only limited liability companies) to all kinds of corporate enterprises, so also to stock companies. To guarantee the compatibility of the exemption resolution with corporate interests, it must be adopted with a qualified majority of 75% of the capital present and represented. It is thus practically guaranteed that the resolution will be approved by the majority of disinterested capital, just as under the system for authorization of significant related party transactions contemplated in the proposal for the new Article 22bis (see section 3.3.1.2 above of this report). Once again, it has been preferred to apply this indirect technique or raising the voting majorities than to use the direct technique of prohibiting voting by the shareholder involved, which is applied, for example, by the Companies Act when regulating this matter in limited liability companies. Resolutions lifting the prohibition on competition are also required to be laid before the shareholders' meeting under a separate item on the agenda.
- iv. Similarly, the provision defines a number of cases which, according to a reasonable, purpose-based interpretation of Article 230 of the Companies Act, already backed by some legal precedents in Spanish case law, should be excluded from the prohibition of competition. These are circumstances in which there is not really a situation of permanent opposition of interests. For this reason, the following cases are excluded from the general regime of prohibition and authorization by the Shareholders' Meeting:
 - a. holding positions of authority in companies of the Repsol group because by definition, there cannot be competition within a group of companies submitted to a single management unit, although the companies normally have identical, similar or complementary objects;
 - b. appointment of proprietary directors in other enterprises at the request of the Company, since it would go against all logic to consider a director of the company to have breached the prohibition of competition because he has been appointed director of a rival company by order of the Company (if any, the problem could arise in the other company, but not in the director's company); and
 - c. holding of directorships in companies with which Repsol has established a strategic alliance because, and insofar as, under the terms of that alliance it will be possible to reasonably ensure that the strategic plans and interests of both companies are sufficiently aligned and the very existence of the alliance is subject to neither company performing effective competition in the different core businesses of the allies.

Finally, the obligation is also introduced for directors to step down if they subsequently incur in a situation of competition, this being merely a specification of the general duty to step down when the director's continuation on the Board may be detrimental to corporate interests, as contemplated in the Unified Code of Good Governance and in Article 16 of the Regulations of the Board.

3.3.2 Modification of Articles 3, 9 and 13 of the Regulations of the General Shareholders' Meeting

3.3.2.1 Modification of Article 3 of the Regulations of the General Shareholders' Meeting ("Powers of the Shareholders' Meeting")

It is proposed including two new sections 3.8 and 3.9 in the Regulations of the General Shareholders' Meeting (changing the number of the current section 3.8 to 3.10) to incorporate in the list of powers of the Shareholders' Meeting two new matters attributed to it under the new

Articles 22bis and 44bis of the Bylaws (authorization of significant related party transactions and the releasing of a director from the prohibition of competition). In addition, in the existing section 3.8 (which would become 3.10) it is proposed extending the referral to any other decision attributed to it by law or the Bylaws.

3.3.2.2 Modification of Article 9.2 of the Regulations of the General Shareholders' Meeting ("Quorum")

The purpose of the amendment of Article 9.2 of the Regulations of the Shareholders' Meeting is to eliminate the requirement of a special resolution to modify Article 27 of the Bylaws, which imposed certain limitations on the number of votes that may be cast by one shareholder; and replace it with a mention of the new cases requiring special resolutions proposed for inclusion in the Bylaws.

This modification is corollary to the amendment of Article 22 of the Bylaws (see section oof this report), deriving from the entry into force as of 1 July 2011 of Article 515 of the Companies Act (following the reform by the Shareholders' Rights Act, Article 527), which provides that any clauses limiting shareholders' voting rights shall be null and void.

3.3.2.3 Modification of Article 13 of the Regulations of the General Shareholders' Meeting ("Discussion and adoption of resolutions")

The purpose of the modification of sections 13.6 and 13.7 of the Regulations is to reflect the incorporation in the Bylaws of new cases requiring special resolutions by the Shareholders' Meeting contemplated in section o of this report, i.e. (i) the modifications of Articles 22bis and 44bis of the Bylaws; (ii) the authorization of significant related party transactions; and (iii) the releasing by the shareholders' meeting of directors from the prohibition of competition.

It is also proposed adding a new section 13.8 to include in the Regulations of the Shareholders' Meeting the prohibition of "vote trading" proposed for inclusion in Article 27 of the Bylaws. The inclusion of this prohibition in the Company's corporate governance regulations has been justified in detail in section o above, on the proposed modification of the Bylaws put to the Shareholders' Meeting under Item Five on the Agenda.

Consequently, the numbering of the sections of Article 13 is reorganized. A section 13.11 is also added, establishing the details to be indicated in respect of the results of voting and the obligation to publish those results on the Company's website within five days after the Shareholders' Meeting (Article 525 of the Companies Act).

3.3.3 Comparative tables

To facilitate comparison of the existing wording of the articles for which modifications are proposed under Item Six on the Agenda with the re-drafted wording resulting from the proposed modifications, a transcript of both wordings is inserted below in two columns, purely for informative purposes.

A. Bylaws

Current wording	Proposal of amendment
<p>Article 22 Special resolutions, quorums and voting majorities</p> <p>In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.</p>	<p>Article 22 Special resolutions, quorums and voting majorities</p> <p>In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.</p>

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

Special resolutions to amend the last paragraph of Article 27 of the Bylaws concerning the maximum number of votes that may be cast at a shareholders' meeting by any one shareholder or by companies belonging to the same group or to amend this special rule shall require a favourable vote of 75% of the voting capital attending the shareholders' meeting, on both first and second call.

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

Special resolutions ~~to amend the last paragraph of Article 27 of the Bylaws concerning the maximum number of votes that may be cast at a shareholders' meeting by any one shareholder or by companies belonging to the same group or to amend this special rule~~ shall require a favourable vote of ~~seventy five~~ (75%) of the voting capital attending the shareholders' meeting, on both first and second call, ~~to validly adopt resolutions on the following matters:~~

- ~~a. modification of Articles 22bis and 44bis of the Bylaws concerning related party transaction and the prohibition of competition by directors, or this special rule;~~
- ~~b. authorization of related party transactions in the cases contemplated in Article 22bis of the Bylaws; and~~
- ~~c. releasing of a director from his no competition obligation pursuant to Article 44bis of the Bylaws.~~

Article 22bis
Related party transactions
Transactions made directly or indirectly by the Company with directors, majority shareholders represented on the Board or persons related to them (i) for an amount exceeding 5% of the Group's assets according to the latest consolidated annual financial statements approved by the General Shareholders' Meeting; (ii) in respect of strategic assets of the Company; (iii) involving a transfer of significant technology of the Company; or (iv) intended to establish strategic alliances and are not merely agreements for actions under or execution of previously established alliances; may only be concluded if they meet the following conditions:

- a. the transaction is fair and efficient for the company's interests;
- b. after obtaining the corresponding report from an independent expert of good standing in the financial community indicating that the related party transaction is made on reasonable, arm's length terms, the Nomination and Compensation Committee issues a report on its fulfilment of the requirement stipulated in paragraph (a) above; and

c. the Shareholders' Meeting authorizes the related party transaction with the favourable votes of seventy-five per cent (75%) of the capital present and represented at the Shareholders' Meeting. This notwithstanding, whenever it is considered advisable, for reasons of opportunity, not to wait for the next General Shareholders' Meeting, the transaction may be approved by the Board of Directors, provided that (i) the report by the Nomination and Compensation Committee contemplated in paragraph (b) above is favourable for the transaction, and (ii) the resolution is adopted with the favourable votes of at least two-thirds of the Board members who are not affected by a conflict of interest. In this case, the Board shall report on the terms and conditions of the transaction at the next Shareholders' Meeting held thereafter.

When calling a Shareholders' Meeting at which authorization of a related party transaction is to be discussed or reported on, the Board shall make available to the shareholders the reports issued by the Nomination and Compensation Committee and the independent expert contemplated in paragraph (b) above and, should it so deem fit, its own report on the issue.

All other related party transactions shall be submitted to the relevant provisions of the Regulations of the Board of Directors.

Article 44bis Prohibition of competition

Directors may not engage, for their own or third party account, in activities competing with the Company, except in the following circumstances:

- a. it is reasonably foreseeable that the situation of competition will not cause any damage to the Company or that the damage that might foreseeable be caused is offset by the benefit that the Company can reasonably expect to obtain for permitting that situation of competition;
- b. after receiving advice from an independent external consultant of good standing in the financial community and after hearing the shareholder or director involved, the Nomination and Compensation Committee issues a report on fulfilment of the requirement contemplated in paragraph (a) above; and
- c. the Shareholders' Meeting expressly resolves to lift the prohibition of competition with the favourable votes of seventy-five per cent (75%) of the capital present and represented at the General Shareholders' Meeting.

When calling a Shareholders' Meeting at which lifting of the prohibition of competition is to be discussed, the Board shall make available to the shareholders the reports issued by the Nomination and Compensation Committee and the independent external consultant contemplated in paragraph (b) above and, should it so deem fit, its own report on the issue. The director involved will be entitled to explain at the Shareholders' Meeting the reasons backing his request for lifting of the prohibition.

The resolutions that the Shareholders' Meeting is called to adopt under this article shall be submitted in a separate item on the agenda.

If the situation of competition arises after the appointment of a director, that director shall immediately step down from office.

For the purposes of this Article:

- a. a person shall be deemed to be engaged for his own account in activities competing with the Company when he performs those activities directly or indirectly through controlled companies as defined in Article 42 of the Commercial Code;
- b. a person shall be deemed to be engaged for third-party account in activities competing with the Company when he has a significant holding or an executive position in a rival company or in another acting in concert with the rival to develop a common policy, and in any case of he has been appointed proprietary director of the company at the request of one of those companies; and
- c. no situation of competition with the Company will be deemed to exist in respect of (i) companies controlled by the Company (as defined in Article 42 of the Commercial Code); and (ii) companies with which Repsol YPF, S.A. has established a strategic alliance, even if they have identical, similar or complementary objects and during such time as the alliance is maintained. Directors or shareholders will not be considered affected by the prohibition of competition for the sole reason of their being proprietary directors in rival companies appointed at the request of the Company or by virtue of the interest held by the Company in their capital.

Nor may directors provide counselling or representation services for rivals of the Company, unless the Board of Directors, after receiving a favourable report from the Nomination and Compensation Committee, authorizes them with the favourable votes of two-thirds of the members not affected by any conflict of interest. If these requirements are not met, the authorization must be granted by the General Shareholders' Meeting.

B. Regulations of the Shareholders' Meeting

Current wording	Proposal of amendment
<p>3. Powers of the General Meeting The shareholders, assembled in a duly called shareholders' meeting, shall decide by majority vote on the following matters:</p> <p>3.1. Approval, if appropriate, of the annual accounts of REPSOL YPF, S.A. and the consolidated annual accounts of REPSOL YPF, S.A. and its subsidiaries, the management of corporate affairs by the board and the application of profits/loss.</p> <p>3.2. Appointment and removal of directors and ratification or revocation of provisional appointments of directors made by the board.</p> <p>3.3. Appointment and reappointment of auditors.</p> <p>3.4. Acquisition of treasury stock.</p> <p>3.5. The increase or reduction of capital and any amendment of the Articles of Association, the issuance of debentures, to suppress, in full or in part, the preferential subscription right of new shares, as well as the transformation, merger, demerger, the assignment of assets and liabilities, change of the registered office abroad or winding-up of the company.</p> <p>3.6. Authorisation of the board to increase capital, in pursuance of article 297.1.b of the Stock Companies Act.</p> <p>3.7. Decision on matters submitted by the board for authorisation.</p> <p>3.8. Any other decisions attributed to it by law.</p>	<p>3. Powers of the General Meeting The shareholders, assembled in a duly called shareholders' meeting, shall decide by majority vote on the following matters:</p> <p>3.1. Approval, if appropriate, of the annual accounts of REPSOL YPF, S.A. and the consolidated annual accounts of REPSOL YPF, S.A. and its subsidiaries, the management of corporate affairs by the board and the application of profits/loss.</p> <p>3.2. Appointment and removal of directors and ratification or revocation of provisional appointments of directors made by the board.</p> <p>3.3. Appointment and reappointment of auditors.</p> <p>3.4. Acquisition of treasury stock.</p> <p>3.5. The increase or reduction of capital and any amendment of the Articles of Association, the issuance of debentures, to suppress, in full or in part, the preferential subscription right of new shares, as well as the transformation, merger, demerger, the assignment of assets and liabilities, change of the registered office abroad or winding-up of the company.</p> <p>3.6. Authorisation of the board to increase capital, in pursuance of article 297.1.b of the Stock Companies Act.</p> <p>3.7. Decision on matters submitted by the board for authorisation.</p> <p>3.8. Any other decisions attributed to it by law: Authorization of the related party transactions contemplated in Article 22bis of the Bylaws.</p> <p>3.9. Releasing of a director from his no competition obligation pursuant to Article 44bis of the Bylaws.</p> <p>3.10 Any other decision attributed to it by law or the Bylaws</p>
<p>9. Quorum <i>[First paragraph without amendment]</i></p> <p>9.2 In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.</p>	<p>9. Quorum <i>[First paragraph without amendment]</i></p> <p>9.2 In order for a Shareholders' Meeting, Ordinary or Extraordinary, to validly resolve on an increase or reduction of capital and any amendment of the Bylaws, issue of debentures, cancellation or limitation of shareholders' preferential subscription right over new shares, the transformation, merger, demerger, global assignment of assets and liabilities, moving the registered office abroad or winding-up of the Company, it must be attended on first call, in person or by proxy, by shareholders representing at least fifty per cent (50%) of the subscribed voting capital. On second call, the attendance of twenty-five per cent (25%) of that capital will be sufficient.</p>

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

By exception, special resolutions to amend the last paragraph of Article 27 of the Bylaws concerning the maximum number of votes that may be cast at the general meeting by any one shareholder or by companies belonging to the same group or to amend this special rule, shall require a favourable vote of 75% of the voting capital attending the shareholders' meeting on both first and second call.

When the shareholders' meeting is attended by shareholders representing less than fifty per cent (50%) of the subscribed voting capital, the resolutions contemplated in the preceding paragraph shall be validly adopted only with the favourable votes of two-thirds of the capital present or represented at the meeting.

By exception, special resolutions to amend the last paragraph of Article 27 of the Bylaws concerning the maximum number of votes that may be cast at the general meeting by any one shareholder or by companies belonging to the same group or to amend this special rule, shall require a favourable vote of 75% of the voting capital attending the shareholders' meeting on both first and second call:

Special resolutions shall be required, adopted with the favourable votes of seventy-five per cent (75%) of the voting capital attending the shareholders' meeting, on both first and second call, to validly adopt resolutions on the matters contemplated in the third paragraph of Article 22 of the Bylaws and Article 13.7 of these Regulations

13. Debate and adoption of resolutions

13.1 Once the meeting has been declared open, the secretary shall read out the details of the notice of call and attendance, based on the attendance list prepared by the presiding Board, which shall indicate the nature or representation of each shareholder present and the number of shares they hold or represent.

The attendance list may also be drawn up using a file or incorporated in a magnetic data support, in which case the means used shall be stated in the minutes and the appropriate identification details, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed case of the file or magnetic data carrier.

13.2. The summary of the attendance list shall specify the number of shareholders present or represented and the amount of capital they hold, specifying the capital corresponding to shareholders with voting rights. The Vice-Secretary of the Board shall provide the presiding board with two copies of the summary, signed by the Vice-Secretary and one scrutineer.

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13.3. In the light of the attendance list, the Chairman shall, if appropriate, declare the shareholders' meeting quorate. If the notary required by the company to issue the minutes of the shareholders' meeting is present, he shall ask the attendees whether or not they have any reservations or protests regarding the chairman's declarations on attendance by shareholders and capital. Any shareholder expressing reservations shall show the assistants of the presiding board his attendance card and the presiding board shall check and correct the error, if appropriate.

13.4. In an effort to expedite the meeting, before commencing his report on the year and the proposals put to the shareholders' meeting, the Chairman shall request any shareholders who wish to speak to show their attendance cards to the assistants of the presiding board, in order to organise their turns for participation.

13.5. The Chairman shall then inform the Shareholders' Meeting on the highlights of the year and the proposals submitted by the board. His report may be supplemented by any persons he may authorize. The Chairman of the Audit and Control Committee will be available at the shareholders' meeting to answer, on behalf of the committee, any questions that the shareholders may raise on matters within the committee's competence. After his report, the Chairman shall grant the floor to those shareholders who have so requested, directing the debate and seeing that it keeps within the confines of the agenda, except as provided in Articles 223.1 and 238 of the Companies Act. The Chairman will end the debate when, in his opinion, the matter has been sufficiently discussed and will then put the different proposed resolutions to the vote, the results of which will be read out by the secretary. The reading of the proposals may be abridged at the decision of the chairman, provided that shareholders representing the majority of subscribed voting capital present at the shareholders' meeting do not object.

13.6. Resolutions shall be adopted with the favourable votes of the majority of voting capital present and represented at the shareholders' meeting, with the exceptions established in the law and bylaws. The maximum number of votes that may be cast at a shareholders' meeting by any one shareholder or companies in the same group shall be equivalent to 10% of the total voting capital. For this purpose companies shall be considered to be in the same group if they are controlled by another in the situation defined in section 4 of the current Stock Market Act of 28 July 1988.

13.3. In the light of the attendance list, the Chairman shall, if appropriate, declare the shareholders' meeting quorate. If the notary required by the company to issue the minutes of the shareholders' meeting is present, he shall ask the attendees whether or not they have any reservations or protests regarding the chairman's declarations on attendance by shareholders and capital. Any shareholder expressing reservations shall show the assistants of the presiding board his attendance card and the presiding board shall check and correct the error, if appropriate.

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13.6. Resolutions shall be adopted with the favourable votes of the majority of voting capital present and represented at the shareholders' meeting, with the exceptions, ~~established in the following section and any others contemplated in the law, the Bylaws and these Regulations. The maximum number of votes that may be cast at a shareholders' meeting by any one shareholder or companies in the same group shall be equivalent to 10% of the total voting capital. For this purpose companies shall be considered to be in the same group if they are controlled by another in the situation defined in section 4 of the current Stock Market Act of 28 July 1988.~~

Notwithstanding this limitation on voting, all the shares attending the shareholders' meeting shall be counted when calculating the quorum.

~~Notwithstanding this limitation on voting, all the shares attending the shareholders' meeting shall be counted when calculating the quorum.~~

~~13.7. Notwithstanding the special resolutions contemplated in the law and the Bylaws, the favourable votes of 75% of the voting capital present and represented at the Shareholders' Meeting will be required on both first and second call to validly adopt resolutions on the following matters:~~

~~a. modification of Articles 22bis and 44bis of the Bylaws concerning related party transaction and the prohibition of competition by directors, or this special rule;~~

~~b. authorization of related party transactions in the cases contemplated in Article 22bis of the Bylaws; and~~

~~c. releasing of a director from his no competition obligation pursuant to Article 44bis of the Bylaws.~~

~~13.8. Voting rights may not be transferred or assigned, not even through the granting of a proxy, in exchange for any financial benefit or consideration.~~

Individual voting shall not be necessary if the sense of the voting is clear from a vote by acclamation or show of hands and the latter systems favour expedition of the general meeting. This notwithstanding, any shareholders so wishing may have their votes against put on record, for the purpose of challenging decisions or whatsoever other reason.

13.9. Individual voting will not be necessary if the sense of voting is sufficiently obvious by acclamation or show of hands and this helps to expedite the meeting. This will not prevent shareholders so requesting from having their votes against put on record for the purposes of challenging a resolution or any other reason.

13.7. When all the motions have been voted on, the secretary of the shareholders' meeting shall hand the notary, if any, the note issued by the scrutineers containing the voting details for each proposal, whereupon the chairman shall close the meeting.

13.10. When all the motions have been voted on, the secretary of the shareholders' meeting shall hand the notary, if any, the note issued by the scrutineers containing the voting details for each proposal, whereupon the chairman shall close the meeting.

~~13.11. The following information shall be given for each resolution put to the vote at the General Shareholders' Meeting: the number of shares in respect of which valid shares have been cast, the proportion of the capital represented by those votes, the total number of valid votes, the number of votes for and against each resolution and the number of abstentions, if any. The resolutions approved and the voting results shall be published in full on the Company's website within five days after the date of the General Shareholders' Meeting.~~

Report of the Board of Directors on the resolution proposal related to the seventh point of the Agenda: ("Re-election as Director of Mr. Isidro Fainé Casas").

The seventh point of the Agenda is to re-elect Mr. Isidro Fainé Casas, as Director, for a further period of four years.

The proposal consisting in re-electing Mr. Isidro Fainé Casas as Director, which the Board of Directors presents to the General Meeting, has been agreed following a favourable report by the Nomination and Compensation Committee held on 17 April 2012, which equally ratified the concurrence and subsistence, at the time of re-election, of the conditions of full eligibility of Mr. Fainé to hold the position of Director.

Mr. Fainé was appointed Director of Repsol YPF, S.A. by resolution of the Board of Directors on December 19, 2007, later ratified and appointed by the General Shareholders' Meeting on May 14, 2008.

According to in the provisions included in the Bylaws and Regulations of the Board of Directors, Mr. Fainé is considered to be a "Proprietary External Director".

Herein below it is included additional information about the professional history of Mr. Fainé, other Boards of Directors to which he belongs, the number of shares of the Company that he holds and the number of Board meeting he has attended personally during 2011.

Mr. Fainé (Manresa (Barcelona), 1942) holds a Doctorate in Economic Sciences, an ISMP in Business Administration from Harvard University and a Diploma in Senior Management from the IESE Business School. Likewise, he is a member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctors.

He began his professional banking career as Investment manager for Banco Atlántico in 1964, later becoming General Manager of Banco de Asunción in Paraguay in 1969. On his return to Barcelona, he held various managerial posts in financial entities: Head of Personnel at Banca Riva y García (1973), Director and General Manager of Banca Jover (1974) and General Manager of Banco Unión, S. A. (1978). In 1982 he joined "la Caixa", and was appointed Deputy Executive General Manager and in 1999 General Manager of the entity.

Currently he is Chairman of "la Caixa", Vice chairman of Abertis Infraestructuras, S.A., Vice chairman of Telefónica, S.A., Chairman of Caixabank, S.A., Chairman of CECA (*Confederación Española de Cajas de Ahorros*) and Chairman of Foundation "la Caixa". He is also Vicechairman of Sociedad General de Aguas de Barcelona, Director of The Bank of East Asia Limited and Criteria Caixaholding, S.A.

Mr. Fainé holds, whether directly or indirectly, 242 shares of Repsol YPF, S.A.

Mr. Fainé has attended to 10 out of the 12 meetings of the Board of Directors held during 2011.

Report of the Board of Directors on the resolution proposal related to the eighth point of the Agenda: ("Re-election as Director of Mr. Juan María Nin Génova").

The eighth point of the Agenda is to re-elect as Director, for a further period of four years, Mr. Juan María Nin Génova.

The proposal consisting in re-electing Mr. Juan María Nin Génova as Director, which the Board of Directors presents to the General Meeting, has been agreed following a favourable report by the Nomination and Compensation Committee held on 17 April 2012, which equally ratified the concurrence and subsistence, at the time of re-election, of the conditions of full eligibility of Mr. Nin to hold the position of Director.

Mr. Nin was appointed as Director of Repsol YPF, S.A. by resolution of the Board of Directors on 19th December, 2007 and subsequently ratified and appointed by the Annual Shareholders Meeting on May 14th, 2008.

According to in the provisions included in the Bylaws and Regulations of the Board of Directors, Mr. Nin is considered to be a "Proprietary External Director".

Herein below it is included additional information about the professional history of Mr. Nin, other Boards of Directors to which he belongs, the number of shares of the Company that he holds and the number of Board meeting he has attended personally during 2011.

Mr. Nin (Barcelona, 1953) holds a degree in Economics and Law from the University of Deusto and a Masters in Law from the London School of Economics and Political Sciences.

He began his career in the financial sector in 1980 when he became International Director of Banco Hispano Americano. In 1992, he moved to Banco Central Hispano, where he was appointed General Manager for Catalonia and, two years later, worked as General Manager of Commercial Banking, where he also served on the Management Committee. After the merger with Banco Santander, Juan María Nin took over the post of General Manager of Commercial Banking and was later appointed General Manager of the Companies Division of Santander Central Hispano, on whose Management Committee he also served. He was appointed CEO of Banco Sabadell in 2002, a position that he doesn't hold now. He has a longstanding career in commercial, international and corporate banking, as well as a great deal of experience in managing mergers and acquisitions of banks. He has served on the Board of Directors of various industrial and services companies.

Currently he is President and CEO of "la Caixa", Vice-chairman of Foundation "la Caixa", Vice chairman of CaixaBank, S.A., Vice-chairman of Criteria CaixaHolding, S.A., Director of VidaCaixa Grupo, S.A., Gas Natural SDG, S.A., Banco BPI, S.A., Erste Group Bank, A.G. and Grupo Financiero Inbursa, S.A.B. de C.V., member of the Board of Directors of Deusto University and Deusto Business School, member of the Board of Directors of Círculo Ecuestre and member of the Academic Board of APD (Association for the Advancement of Management), member of Foundation Esade Business School, Foundation Federico García Lorca, Foundation Consejo España-Estados Unidos, CEDE Foundation (Spanish Confederation of Directors and Executives) and Aspen Institute Spain Foundation, member of the Global Strategy Council of FUOC (Foundation for the Open University of Catalonia) Deputy Chairman of Foundation Consejo España-India, member of the Economic Group of Foro España-China.

Mr. Nin holds, whether directly or indirectly, 242 shares of Repsol YPF, S.A.

Mr. Nin has attended to all the meetings of the Board of Directors held during 2011.

Report of the Board of Directors on the resolution proposal to the ninth point of the Agenda ("Share Acquisition Plan 2013-2015")

The company Board of Directors has approved, prior report of the Nomination and Compensation Committee held on 17 April 2012, the following remuneration plan linked or referenced to the value of company shares for the years 2013, 2014 and 2015, aimed at employees and executives of Repsol YPF Group (the "Plan"), whose implementation is submitted to consideration by the Annual Shareholders Meeting.

The Plan referred in this report is presented as a continuation of the plan for the years 2011 and 2012, approved by the Annual Shareholders Meeting held on April 15, 2011, under the fifteenth item of the agenda. The Company reported to the National Securities Market Commission (CNMV) about the implementation of that plan on 14 October 2011 and 16 January 2012. Under the Plan 2011, Repsol YPF Group acquired 298,117 treasury shares in 2011, representing 0.024% of share capital, at a cost of 6.6 million euros, for delivery to Repsol YPF Group's employees. The maximum monetary amount requested by all Plan 2012 participants to receive in shares is, at the date of preparation of this proposal, 9.2 million euros.

As well as the plan for the years 2011 and 2012, the "Share Acquisition Plan 2013-2015" proposes the Annual Shareholders Meeting, is aimed at executives and employees of Repsol YPF Group in Spain, and its purpose is to allow those who wish to do so to receive part of their remuneration corresponding to some or all the years 2013, 2014 y 2015 in Repsol YPF shares, with an annual limit equal to the maximum monetary amount in shares that, pursuant to the applicable tax laws in force each year and for each territory, has the treatment as income exempt of tax. Currently, pursuant to the tax laws in force, this amount is 12,000 euros in the Spanish common territory, 6,000 euros in the provinces of Vizcaya and Álava, and 3,500 euros in the province of Guipúzcoa.

The Plan aim to favour employee and executive participation in company capital, increasing their motivation and loyalty, and contributing to the structuring of a common group culture in terms of compensation and benefits.

It is therefore a plan that does not involve additional remuneration, but it simply allows its beneficiaries to structure their remuneration in a different payment form—in shares—in their own discretion.

The plan is equally designed taking into consideration the treatment as income exempt of tax that giving company shares to employees of Repsol YPF Group in Spain has on Personal Income Tax, as long as it does not exceed the maximum annual monetary amount in shares maximum monetary amount in shares determined by the applicable laws in force each year and for each territory, that the offer is made as part of the general compensation policy of the company or its groups—as is the case—that employees, together with their partners and their immediate family

do not own, directly or indirectly, more than 5 per cent of the shares in the company or in other companies of the Group and that these maintain the shares received for at least three years.

The proposal contemplates the maximum amount that can be dedicated to investment in shares, and the formula to determine the maximum number of shares to be given, and it is completed with the usual powers of development of the regulations of the Plan and interpretation in favour of the Board of Directors and, by delegation, of the Delegate Committee.

Report by the Board of Directors on the proposed capital increases to be made by issuing new ordinary shares against reserves, offering shareholders the possibility of selling their free-of-charge allocation rights to the Company or on the market, to be submitted to the Ordinary General Shareholders' Meeting for approval under the tenth and eleventh points of the Agenda.

This report is issued by the Board of Directors of Repsol YPF, S.A. (the "Company") to justify the two proposals to increase the capital in order to implement a shareholder remuneration program by means of a Flexible Dividend Program, which will be submitted for approval under the tenth and eleventh points of the Agenda, respectively, at the Ordinary General Shareholders' Meeting called at 12:00 on 30 May 2012, on first call and at the same time on 31 May 2012, on second call.

This report is issued in compliance with Articles 286 and 296 of the recast Companies Act (the "Companies Act"), approved by Legislative Royal Decree 1/2010 of 2 July, by virtue of which the Board of Directors must issue a report justifying the proposals to be submitted to the General Shareholders' Meeting, insofar as the approval of those resolutions and their implementation necessarily require a modification of Articles 5 and 6 of the Company's Articles of Association, on the capital and shares, respectively.

In order to enable a clearer understanding of the operations behind the proposals to increase the capital submitted to the General Shareholders' Meeting, shareholders are provided firstly with a description of the purpose of and grounds justifying those capital increases, and secondly with a description of the main terms and conditions of the capital increases against reserves contemplated in this report.

1.

Purpose and justification of the proposals

1.1 Purpose and justification of the proposals

The Company has traditionally remunerated its shareholders through the payment of cash dividends.

However, in keeping with the latest trends in this matter among other companies in IBEX-35, the Company wants to offer its shareholders an alternative which, without affecting their right to receive the entire remuneration in cash if they so wish, gives them the possibility of receiving shares in the Company, with the tax benefits applicable to free-of-charge shares, as described below.

The purpose of the capital increase proposals submitted to the Shareholders' Meeting is to offer all the Company's shareholders the option, at their free choice, of receiving new free-of-charge shares in the Company, without altering the Company's policy of remunerating its shareholders in cash, since they may opt, as an alternative, to receive an amount in cash by selling their scrip dividend rights to the Company (if they do not sell on the market), as explained herein below.

1.2 Structure of the operations and options available to shareholders

The two proposals laid before the General Shareholders' Meeting under the tenth and eleventh points of the Agenda contemplate offering the Company's shareholders the option to receive, at their choice, either free-of-charge shares of the Company or a remuneration in cash.

These offers are structured in two capital increases against reserves (each on an "Increase" or a "Capital Increase" and jointly the "Capital Increases"). However, although they both correspond to the purpose described in section 1.1 above, each Capital Increase is independent, so they would be made on different dates and Repsol YPF, S.A. could even decide not to make one or both, in which case the corresponding Increase would have no effect pursuant to section 2.7 below.

When the Board of Directors or, by substitution, the Delegate Committee decides to implement one of the Capital Increases:

- a. The Company's shareholders will receive a free-of-charge allocation right for each share in the Company that they hold at that time. These rights will be tradable so may be traded, on the same

conditions as the shares in respect of which they are issued, on the Madrid, Barcelona, Bilbao and Valencia stock exchanges for a period of at least fifteen (15) calendar days, after which the rights will automatically become new shares in the Company, which will be allocated to the holders of the free-of-charge allocation rights at that date. The specific number of shares to be issued and, therefore, the number of rights needed for the allocation of one new share will depend on the price of the Company's share on the date of implementation of the Capital Increase (the "Share Price"), calculated by the procedure described herein below. However, as will be explained later (i) the total number of shares to be issued in the first Capital Increase will be determined so that their market value calculated at the Share Price will be approximately 705 million euro; and (ii) the maximum number of shares to be issued in the Second Capital Increase will be determined so that their market value calculated at the Share Price will be the amount fixed by the Board or, by substitution, the Delegate Committee, with the limit established in section 1.4 below.

- b. The Company will irrevocably undertake to purchase the aforesaid free-of-charge allocation rights at a fixed price from the shareholders recognized as such in the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* (Iberclear) at 23:59, Madrid time, on the date on which the announcement of the corresponding Capital Increase is published in the Official Gazette of the Commercial Registry (the "Purchase Commitment"). The Purchase Commitment will only cover the rights received by the shareholders free of charge, not those purchased on the market. The fixed purchase price of the free-of-charge allocation rights will be calculated before trading of the rights commences, based on the Share Price (such that the price per right will be the result of dividing the Share Price by the number of rights needed to receive one new share, plus one). The Company thus guarantees that all shareholders will be able to monetize their rights and thus receive the cash if they do not wish to receive new shares.

Therefore, when each Capital Increase is made, the Company's shareholders may choose freely between the following options⁽¹⁾:

- a. Not to sell their free-of-charge allocation rights. In this case, at the end of the trading period the shareholder will receive the corresponding number of new free-of-charge shares.
- b. To sell all or part of their free-of-charge allocation rights to the Company under the Purchase Commitment at a guaranteed fixed price. Shareholders choosing this option would monetize their rights and receive a remuneration in cash dividend, as in previous years, instead of shares.
- c. To sell all or part of their free-of-charge allocation rights on the market. Shareholders choosing this option would also monetize their rights, although in this case they would not receive a guaranteed fixed price, as in option (b) above, but instead the consideration payable for the rights would depend on market conditions in general and the quotation price of those rights in particular.

The Company's shareholders may combine any or all of the alternatives mentioned in paragraphs (a) to (c) above. It should be noted in this regard that the alternatives receive different tax treatment.

The gross amount received by shareholders choosing options (a) and (b) will be equivalent, as the Share Price will be used to determine both the fixed price of the Purchase Commitment and the number of free-of-charge allocation rights needed for the allocation of one new share. In other words, the gross price received by a shareholder selling all his free-of-charge allocation rights to the Company under the Purchase Commitment will be approximately equal to the value of the new shares he will receive if he does not sell his rights, calculated at the market price of the Company's share at the date of the Capital Increase (i.e. the Share Price). However, the tax treatment of each alternative is different. The tax treatment of the sales contemplated in options (b) and (c) is also different (see section 2.6 below for a summary of the tax regime applicable to this operation in Spain).

1.3 Coordination with the traditional dividend policy

The Company plans to replace what would have been the traditional final dividend of 2011 and the interim dividend of 2012 with two issues of free-of-charge shares, although preserving its shareholders' right to receive a cash remuneration if they prefer.

1.4 Amount of the Alternative Option and price of the Purchase Commitment

The structure of the proposals consists of offering shareholders free-of-charge shares, the value of which, determined according to the Share Price, will be:

⁽¹⁾ The options available to holders of *American Depositary Shares/American Depositary Receipts* and ordinary shares listed on the Buenos Aires stock exchange may be subject to certain variations in respect of the options described here, due to the terms and conditions applicable to the programs in which those holders participate and the regulations of the stock markets on which those securities are traded.

- a. in the first Increase, a total of 705,048,650 euro gross; and
- b. in the second Increase, the amount determined by the Board of Directors or, by substitution, the Delegate Committee, with the limit of 775,553,515 euro gross.

Since, as mentioned earlier, the purpose of the Purchase Commitment is to enable shareholders to monetize the Amount of the Alternative Option of each Increase, and bearing in mind that shareholders will be assigned one free-of-charge allocation right for each outstanding share, the gross price per right at which the Purchase Commitment will be made in each Increase would be approximately equal, subject to the provisions of sections 2.1 and 2.3 below, to the amount per share of the Amount of the Alternative Option.

The final purchase price (and, in relation to the second Increase, the Amount of the Alternative Option, if appropriate) will be determined and announced pursuant to section 2.3.

2.

Main terms and conditions of the capital increase

2.1 Amount of each Capital Increase, number of shares to be issued and number of scrip dividend rights needed for the allocation of one new share

The maximum number of shares to be issued in each Capital Increase will be the result of dividing the Amount of the Alternative Option of the corresponding Increase between the value of the Company's share when the Board of Directors or, by substitution, the Delegate Committee, decides to implement each Capital Increase (i.e. the Share Price). The number thus calculated will be rounded off to obtain a whole number of shares and a rights-shares conversion rate, also in a whole number. In addition and for the same purpose, the Company will waive the free-of-charge allocation rights corresponding to it, for the sole purpose of ensuring that the number of new shares to be issued in each Capital Increase is a whole number and not a fraction.

To determine the number of shares to be issued, it will be considered only the outstanding free-of-charge allocation rights at the end of the trading period, excluding those that were sold to the Company under the Purchase Commitment at a guaranteed fixed price (alternative b).

When it is decided to implement a Capital Increase, the Board of Directors or, by substitution, the Delegate Committee will determine the maximum number of shares to be issued in each Increase and, therefore, the maximum amount of the Capital Increase and the number of free-of-charge allocation rights need for the allocation of one new share by applying the following formula (rounding the result down to the nearest whole number):

$MNNS = NES / \text{No. Rights per share}$

where,

“MNNS” = Maximum number of New Shares to be issued in the Capital Increase;

“NES” = number of outstanding shares in the Company at the date on which the Board of Directors or, by substitution, the Delegate Committee resolves to implement the Capital Increase; and

“No. Rights per share” = number of free-of-charge allocation rights required for the allocation of one New Share in the Capital Increase, which will be the result of applying the following formula, rounded up to the nearest whole number:

$\text{No. Rights per Share} = NES / \text{Provisional no. shares}$

where,

“Provisional no. shares” = Amount of the Alternative Option / Share Price

For this purpose, “Share Price” will be the arithmetic mean of the weighted average prices of the Company's share on the Madrid, Barcelona, Bilbao and Valencia stock exchanges over the five (5) trading sessions prior to the date of the resolution adopted by the Board of Directors or, by substitution, the Delegate Committee to implement the Capital Increase, rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro.

The final number of shares to be issued will be the ratio of the number of outstanding rights at the end of the negotiation period and the number of rights per share, and if this figure is not a whole number, the Company will waive the free-of-charge allocation rights necessary to do so.

Once determined the final number of shares to be issued, the amount of each Capital Increase will be the result of multiplying the number of the new shares by the par value of the Company's shares -one euro per share (1 €) -. The Capital Increases will be made, therefore, at par, with no share premium.

Example of the calculation of the number of new shares to be issued, the amount of a Capital Increase and the number of free-of-charge allocation rights needed for the allocation of one new share:

For the sole purpose of helping shareholders to understand its application, a sample calculation is set out below using the formula contemplated in this section. The results of these calculations are not representative of the possible real results in the event of making the Capital Increases, which will depend on the different variables used in the formula (essentially the Share Price of the Company's share at that time) and the rounding off to be made.

For the sole purpose of this example:

The Amount of the Alternative Option of the Increase to be made is 705,048,650 euro.

A Share Price of 18.00 euro is assumed.

The NES is 1,220,863,463 (number of Company shares at the date of this report).

Therefore:

Provisional no. shares = Amount of the Alternative Option / Share Price = 705,048,650 / 18.00 = 39,169,370

No. Rights per share = NES / Provisional no. shares = 1,220,863,463 / 39,169,370 = 31.169 = 32 (rounded up)

MNNS = NES / No. Rights per share = 1,220,863,463 / 32 = 38,151,983 (rounded down)

The free-of-charge allocation rights sold to the Company under the Purchase Commitment at a guaranteed fixed price (alternative b), are excluded from the computation of shares to be issued. In the example, if the Company had purchase 220,863,463 free-of-charge allocation rights, would be 1,000,000,000 of outstanding free-of-charge allocation rights at the end of the trading period. The calculation of the final number of new shares to be issued (NNS) would be:

$NNS = \text{Number of outstanding free-of-charge allocation rights} / \text{No. Rights per share} = 1,000,000,000 / 32 = 31,250,000$

Consequently, in this example, (i) the final number of new shares to be issued in the Capital Increase would be 31,250,000, (ii) the amount of the Capital Increase would be 31,250,000 euros, and (iii) 32 free-of-charge allocation rights (or old shares) would be needed for the allocation of one new share in that Increase.

2.2 Free-of-charge allocation rights

In each Capital Increase each share of the Company in circulation will entitle its holder to one free-of-charge allocation right.

The number of free-of-charge allocation rights needed to receive one new share in each Capital Increase will be determined automatically according to the ratio of the number of new shares to the number of outstanding shares at that time, calculated using the formula established in section 2.1 above. In particular, shareholders will be entitled to receive one New Share for a number of free-of-charge allocation rights determined according to section 2.1 above, that they hold in the corresponding Increase.

If the number of free-of-charge allocation rights required for the allocation of one share (32 in the example set out above) multiplied by the maximum number of new shares to be issued (38,151,983 in the example) is lower than the number of shares in circulation (1,220,863,463), the Company will waive a number of free-of-charge allocation rights equal to the difference between the two figures (7 rights in the example) for the sole purpose of ensuring that the number of new shares is a whole number and not a fraction. In that case, there would be an incomplete allocation of the Capital Increase and the capital would be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made (for which the provisions of section 2.3 below must also be taken into consideration), pursuant to Article 311 of the Companies Act.

Free-of-charge allocation rights will be allocated to the Company's shareholders who are recognized as such in the accounting registers of *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* (Iberclear) at 23:59 on the date on which the announcement of the Capital Increase is published in the Official Gazette of the Commercial Registry. Such rights may be traded on the same conditions as the shares in respect of which they are granted and may be traded on the market for such time as may be determined by the Board of Directors or, by substitution, the Delegate Committee, at least fifteen (15) calendar days, commencing on the day after the date on which the announcement of the corresponding Capital Increase is published in the Official Gazette of the Commercial Registry. During that period, sufficient free-of-charge allocation rights may be acquired on the market in the necessary proportion to receive new shares.

2.3 Purchase Commitment of the free-of-charge allocation rights

As mentioned earlier, irrevocably undertakes to purchase the free-of-charge allocation rights assigned in each Capital Increase (as defined, the “Purchase Commitment”), thus guaranteeing the Company's shareholders at the date of the Capital Increase the possibility of selling their rights to the Company and receiving, at their choice, all or part of their remuneration in cash.

The Purchase Commitment will only cover the rights received by the shareholders free of charge, not those purchased on the market, and will be in force and may be accepted during such time, within the trading period of the rights, as may be determined by the Board of Directors or, by substitution, the Delegate Committee. The purchase price under the Purchase Commitment will be fixed, calculated prior to opening of the trading period for the free-of-charge allocation rights applying the following formula (applying the definitions set out in section 2.1 above), rounded up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, rounded up to the nearest thousandth of a euro (the "Purchase Price"): $\text{Purchase Price} = \text{Share Price} / (\text{No. Rights per share} + 1)$.

The final Purchase Price thus calculated will be determined and announced on the date of implementation of each Capital Increase.

The Company will foreseeably waive the new shares corresponding to the free-of-charge allocation rights acquired under the Purchase Commitment. In that case there would be an incomplete allocation of each Capital Increase and the capital would be increased only by the amount corresponding to the free-of-charge allocation rights in respect of which no waiver has been made, pursuant to Article 311 of the Companies Act.

2.4 Rights of the new shares

The new shares issued in each Capital Increase will be ordinary shares with a par value of one euro (1 €) each, of the same class and series as those currently in circulation, issued in book-entry form, the accounting register of which will be assigned to *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members. The new shares will confer upon their holders the same voting and economic rights as the Company's ordinary shares currently in circulation as from the date on which the Capital Increase is declared subscribed and paid up.

The Capital Increases will be made free of charges and commissions for the allocation of new shares issued. The Company will bear the costs of issue, subscription, putting into circulation, listing and any others related with each Capital Increase.

Nevertheless, the Company's shareholders should bear in mind that the members of *Sociedad de Gestión de los Sistemas de Registro, Compensación and Liquidación de Valores, S.A. Unipersonal* (Iberclear) at which they have deposited their shares may, under prevailing laws, establish such administration charges and commissions as they may freely determine for maintaining the securities in the accounting registers. Moreover, these members may, under prevailing laws, establish such charges and commissions as they may freely determine for handling purchase and sale orders in respect of free-of-charge allocation rights.

2.5 Balance sheet and reserve against which the Capital Increases are made

The balance sheet on which the Capital Increases are based is the balance sheet for the year ended 31 December 2011, audited by Deloitte, S.L. on 28 February 2012 and laid before the Ordinary General Shareholders' Meeting for approval under the first point of the Agenda.

The Capital Increases will be made entirely against the voluntary reserves from retained earnings. When making the Capital Increase, the Board of Directors or, by substitution, the Delegate Committee, will specify the reserve to be used and the amount of that reserve according to the balance sheet used as the basis for the Capital Increases.

2.6 Taxation

General comments

The principal tax implications deriving from the Capital Increase are set out below, based on the tax laws in place in the common territory and the interpretation made by the Spanish tax authorities (*Dirección General de Tributos*) in answers to several binding consultations.

Although the tax regime applicable to shareholders resident in the Basque Country & Navarre, Ceuta and Melilla is similar to that of the common territory, certain differences may arise in the tax treatment.

Shareholders not resident in Spain, the holders of *American Depositary Shares/American Depositary Receipts* representing shares in the Company and the holders of Company shares listed on the Buenos Aires stock exchange should consult their tax advisers on the effects deriving from the different options for the Capital Increase, including the right to apply the provisions of double taxation treaties signed by Spain.

It should be borne in mind that the taxation of the different options for the Capital Increase set out herein does not cover all possible tax consequences. Consequently, shareholders are recommended to consult their tax advisers on the specific tax impact of the proposed

operation and to pay attention to any changes or amendments that may be made in both the laws in place at the date of this operation and the interpretation criteria, as well as the specific circumstances of each shareholder or holder of free-of-charge allocation rights.

Specific comments

The new shares delivered in each Capital Increase will, for tax purposes, be considered bonus shares and, as such, will not be considered income for personal income tax (IRPF), corporate income tax (IS) or non-resident income tax (IRNR), regardless of whether or not the recipients of those shares operate through a permanent establishment in Spain. In line with the foregoing, the delivery of new shares is not subject to withholding tax or payment on account (advance tax).

The acquisition value of both the new shares and the shares in respect of which they are issued will be determined by dividing the total cost by the number of shares, both old shares and bonus shares. The bonus shares will be considered to have the same age as the shares in respect of which they are issued.

Consequently, in the event of a subsequent sale, the income obtained will be calculated with reference to this new value.

If shareholders sell their free-of-charge allocation rights on the market, the proceeds obtained from trading those rights on the market will not be subject to withholding tax or payment on account and will be given the tax treatment described below:

- a. For personal income tax and income tax of non-residents with no permanent establishment in Spain, the proceeds obtained from the sale of free-of-charge allocation rights on the market will be given the same tax treatment as preferential subscription rights. Consequently, the proceeds from selling the free-of-charge allocation rights reduce the acquisition value for tax purposes of the shares giving rise to those rights, pursuant to Article 37.1.a) of the Personal Income Tax Act 35/2006 of 28 November.

Therefore, if the amount obtained from that sale is greater than the acquisition value of the shares in respect of which the rights are granted, the difference will be considered a capital gain for the seller in the tax period in which the sale is made, without prejudice to the possible application to non-resident taxpayers with no permanent establishment in Spain of the double taxation treaties signed by Spain to which they may be entitled.

- b. For corporate income tax and income tax of non-residents with a permanent establishment in Spain, since a full commercial cycle is closed, it will be taxed according to the applicable accounting standards and, where appropriate, any special tax regimes applicable to the shareholders subject to the taxes indicated.

Finally, if holders of the free-of-charge allocation rights decide to take up the Repsol YPF Purchase Commitment, the proceeds from sale to Repsol YPF of such rights received as shareholders will be given the same tax treatment as a cash dividend and, therefore, they will be subject to withholding tax and the corresponding taxation.

2.7 Authorization to make each Capital Increase

Pursuant to Article 297.1.a) of the Companies Act, it is proposed authorizing the Board of Directors, with express power to delegate to the Delegate Committee, to determine the date on which each capital increase resolution adopted by the Ordinary General Shareholders' Meeting is to be implemented and to establish the conditions of each Capital Increase in any aspects not stipulated by the Shareholders' Meeting, within a period not exceeding one year from the date on which the resolutions are adopted by the Shareholders' Meeting in respect of the Capital Increases.

This notwithstanding, if the Board of Directors, with express powers of substitution, does not consider it convenient to make any of the Capital Increases, it may submit a proposal to the Shareholders' Meeting for revocation, in which case it will not be obliged to make the Capital Increase in question. In particular, the Board of Directors or, by substitution, the Delegate Committee, will analyse and take account of the market conditions, circumstances of the Company and any deriving from a socially or economically important event or circumstance, as well as the level of acceptance of the first Capital Increase and, if in the opinion of the Board of Directors those or other considerations make it unadvisable to make the corresponding Increase, it may submit a proposal to the Shareholders' Meeting to revoke any of the Capital Increases. Moreover, the Capital Increases will have no effect if the Board of Directors or, by delegation, the Delegate Committee, does not exercise the powers delegated to it within the period of one year indicated by the Shareholders' Meeting for making the Capital Increase, in which case it will report on that at the first Shareholders' Meeting held thereafter.

When the Board of Directors or, by substitution, the Delegate Committee decides to make Capital Increase, defining the final terms thereof in any aspects not already specified by the

Shareholders' Meeting, the Company will publish those terms. In particular, prior to commencement of the period for free allocation of the corresponding Increase, the Company will publish a document containing information on the number and nature of the shares and the reasons for the Capital Increase, in pursuance of Articles 26.1.e) and 41.1.d) of Royal Decree 1310/2005 of 4 November, partly developing the Securities Market Act 24/1988 of 28 July.

After the end of the trading period for free-of-charge allocation rights in respect of each Capital Increase:

- a. The new shares will be allocated to those shareholders who hold the free-of-charge allocation rights according to the registers kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (Iberclear) and its members in the necessary proportions.
- b. The Board of Directors or, by substitution, the Delegate Committee will declare the free-of-charge allocation rights trading period over and will apply the reserves in the Company's accounts in the amount of the corresponding Capital Increase, which will be deemed paid up by that application.

Finally, the Board of Directors or, by substitution, the Delegate Committee, will adopt the corresponding resolution to modify the Articles of Association in order to reflect the new amount of the capital following each Capital Increase and apply for listing of the new shares.

2.8 Listing of the new shares

The Company will apply for listing of the new shares issued in each Capital Increase on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) and complete whatever formalities and actions may be necessary and file such documents as may be required with the competent authorities for listing of the new shares issued in each Capital Increase on the Buenos Aires stock exchange, expressly putting on record that the Company submits to existing or future laws and regulations governing the stock market, particularly regarding trading, minimum time frames and delisting.

Report by the Board of Directors on the proposed resolution corresponding to Item Twelfth on the Agenda ("Modify the corporate name of the Company and subsequent modification of Article 1 of the Bylaws")

The proposal to modify Article 1 of the Bylaws, to substitute the current corporate name of "REPSOL YPF, S.A." for the corporate name of "REPSOL, S.A.", arises from the announcement made by the Argentinean Government of the proposed measures to expropriate 51% share capital of YPF, S.A., held by the Company and/or by its affiliates.

Report of the Board of Directors on the resolution proposal related to the thirteenth point of the Agenda ("Delegation to the Board of Directors of the power to issue fixed rate, convertible and/or exchangeable securities for company shares or exchangeable for shares in other companies, as well as warrants (options to subscribe new shares or to acquire shares in circulation of the company or other companies). Fixing the criteria to determine the bases and modes of conversion and/or exchange and attribution to the Board of Directors of the powers to increase capital by the amount necessary, as well as to totally or partially exclude the pre-emptive subscription rights of the shareholders of said issues. Authorisation for the company to guarantee securities issued by its subsidiaries. To leave without effect, in the portion not used, the sixteenth B) resolution of the General Shareholders' Meeting held on 15 April 2011."):

The object of this report is to justify the proposal of the General Shareholders' Meeting that, under the thirteenth point of the Agenda, grants powers to the Board of Directors of Repsol YPF, S.A. (the "Company"), with the express power of delegation in favour of the Delegate Committee, to issue, on one or several occasions, debentures, bonds and other fixed rate securities of a similar nature, exchangeable and/or convertible in Company shares or exchangeable for shares of other companies, as well as warrants convertible and/or exchangeable for shares in the Company or other companies.

The Board of Directors considers that it highly recommendable to have the delegated powers allowed in current regulations to be, at all times, in conditions to capture in the primary securities markets those funds that are necessary to adequately manage the company interests. From this perspective, the delegation proposed aims to grant the company administration body the leeway and response capacity required by the competitive environment in which the company moves; in which the success of a strategic initiative or a financial operation often depends on the possibility of carrying it out quickly, without the hesitation and cost entailed in calling and holding a General Shareholder's Meeting.

With this purpose, according to in articles 511 of the Companies Act and 319 of the Regulations of the Commercial Registry, applying by analogy article 297.1.b) of the Companies Act, we propose to the General Meeting adopting the resolution formulated under the thirteenth point of its Agenda.

The proposal establishes a maximum amount appointed to the issues under the delegation of 8,400,000,000 euro or its equivalent in another currency, distributed among issues of debentures that are convertible and/or exchangeable for company shares, or warrants on newly issued shares in which, under section B)7 of the proposal formulated, the pre-emptive subscription right is excluded (whose maximum amount will in turn be 4,400,000,000 euro, and the issues of debentures that are convertible and/or exchangeable or warrants, or debentures exchangeable for other companies shares, in which the pre-emptive subscription right is not excluded (whose maximum amount will in turn be 4,000,000,000 euro) .

The proposal also contemplates authorising the Board of Directors to issue convertible and/or exchangeable debentures or bonds or warrants and to agree, when appropriate, the necessary capital increase to attend the conversion or exercising of the subscription option, as long as this increase by delegation does not exceed half of the company capital, as stipulated in article 297.1.b) of the Companies Act, or the lower limit established in the General Meeting authorisation for the case in which the issue excludes the pre-emptive subscription right.

Additionally, also in the case of issuing convertible and/or exchangeable securities, the resolution proposed includes the criteria to determine the bases and forms of the conversion and/or exchange, although it does allow the Board of Directors to specify some of these bases and forms for each issue, always within the limits and in accordance with the criteria set by the General Meeting. Consequentially, it will be the Board of Directors who determines the specific ratio of conversion and/or exchange for which it will issue, at the time of approving an issue of convertible and/or exchangeable securities, under this delegation, a report developing and specifying the specific bases and forms of conversion, exchange or exercising that will also be object of the corresponding auditors' report, as established in article 414.2 of the Companies Act.

In particular, the resolution proposal submitted to approval by the General Meeting establishes that the securities issued will be evaluated by their par amount, and the shares at a fixed (determined or to be determined) or variable exchange rate, determined by the resolution of the Board of Directors.

Thus, to the effects of conversion and/or exchange, the fixed rate securities will be evaluated for their par amount, and the shares at the exchange rate established by the Board of Directors in the resolution in which it makes use of this delegation, or at the exchange rate to be determined on the date or dates indicated in said resolution, according to the listing value on the stock market of company shares on the date/s or in the period/s taken as a reference in the same resolution, with or without discount and, in any case, with a minimum of the highest of the following two (the "Minimum Value"): (a) the average exchange rate of the shares in the Continuous Market of Spanish Stock Markets, according to closing rates, the average listing value or other listing reference, during a period to be determined by the Board of Directors; no more than three (3) months nor less than three (3) days, which must end no later the day before the date of adopting the resolution to issue securities by the Board of Directors, and (b) the exchange rate of the shares on the Continuous Market according to the closing rate on the day prior to adopting said issue resolution. In this way, the board considers that it is granted sufficient margin of flexibility to set the value of shares for the purpose of conversion, exchange or exercising according to market conditions and other applicable considerations, although this must be, in general and at the time of the issuance is implemented, substantially equivalent to, at least, their market value. If the issue is convertible and/or exchange mandatory, the Board of Directors, in the event that the listing closing price, the average listing value or another reference listing value on the date prior to conversion or a period not exceeding three (3) months prior to that conversion will be lower or higher than the Minimum Value by a percentage to be determined by the Board of Directors but, in any case, not less than 20%, the Board may establish one or more of the following measures: eliminate the possibility of conversion and/or exchange; or adapt the value of the shares for the conversion and/or exchange; or postpone the time of

that conversion and/or exchange; or further include the possibility of pay cash to securities holders by reason of its redemption, conversion and/or exchange.

It may also be agreed to issue convertible and/or exchangeable fixed rate securities with a variable ratio of conversion and/or exchange. In this case, the price of the shares for the purpose of conversion and/or exchange, will be the arithmetical average of the closing prices, average prices or other listing reference of the company shares in the Continuous Market during a period to be determined by the Board of Directors; no more than three (3) months or less than three (3) days, which must end no later the day before the date of conversion and/or exchange, with a premium or, where appropriate, a discount on said price per share. The premium or discount can be different for each date of conversion and/or exchange of each issue (or, when appropriate, each stage of an issue), although in the case of setting a discount on the price per share, this may not be greater than 30%. Additionally, under the terms approved by the Board of Directors, a minimum and/or maximum reference price of the shares for the purpose of their conversion and/or exchange may be established as limits. Again, the board considers that this provides it with sufficient leeway to set the variable conversion and/or exchange ratio according to market circumstances and the remaining considerations that the board must attend to, by establishing a maximum discount in order to ensure that the type of issue of new shares in the case of conversion, should the discount be granted, does not deviate more than 30% in relation to the market value of the shares at the time of conversion or reference provided by the Board.

Similar criteria will be used, *mutatis mutandi* and insofar as they are applicable, to issue debentures (or warrants) exchangeable for shares in other companies (in this case, the references to the Spanish stock markets will be made, if appropriate, to the markets where said shares are listed).

In the case of warrants on newly issued shares, inasmuch as they are compatible with their nature, the rules on convertible debentures assigned in the proposal shall be applied.

In addition, and in accordance with that stipulated in article 415.2 of the Companies Act, convertible debentures may not be converted into shares when the par value of the shares is less than the value of the debentures. Neither may convertible debentures be issued for an amount lower than their par value.

On the other hand, it is stated that the authorisation to issue fixed rate securities includes, in accordance with that established in article 511 of the Companies Act and in the case that the object of the issue is convertible debentures, attributing the Board of Directors the power to exclude, totally or partially, the pre-emptive subscription right of shareholders when this is required to capture financial resources on the markets or in other ways justified by company interests. The Board of Directors considers that this additional possibility, that considerably extends the leeway and capacity of response offered by a simple delegation of the power to issue convertible debentures, is justified by the flexibility and agility with which it is necessary to act in current financial markets in which the market conditions are more propitious. This justification also exists when capturing financial resources is intended to be made on international markets or by techniques of demand prospecting or bookbuilding or when otherwise justified by company interests. Finally, the withdrawal of the pre-emptive subscription right allows a relative reduction of the financial cost of the loan and the costs associated to the operation -including, in particular, the commissions of the financial entities that participate in the issue- in comparison with an issue in which pre-emptive subscription right are given, and at the same time it has a lesser effect of distortion in the negotiation of company shares during the issue period.

In the preparing this proposal the Board has considered the recommendations and international trends in this area. Thus, consistent with these recommendations and trends, considering the total amount of convertible bonds that, in the implementation of this authorization and during its period term (5 years), could be issued with exclusion of pre-emptive subscription right (4,400,000,000 euro), and a hypothetical conversion into shares at the average prices of listing for the last 30 and/or 90 days prior to the issuance of this report, increases in share capital needed to cover the conversion of the obligations would be lower than 20% of current Company's share capital.

With all this, note that the exclusion of the pre-emptive subscription right is a power that the General Meeting delegates in the Board of Directors and it corresponds to the latter, taking into account the specific circumstances and in relation to legal requirements, to decide in each case whether excluding such a right is appropriate or not. Additionally, in the case that in an issue the board resolves the exclusion of the pre-emptive subscription right, it must issue at the same time a report explaining the reasons of company interest that justify said exclusion, which will be object of the compulsory auditors' report established in articles 417.2 and 511.3 of the Companies Act, and they will be available to shareholders and communicated in the first General Meeting held after adopting the issue resolution.

The proposal is completed with the request that, when appropriate, the securities issued under this authorisation are admitted to negotiation in any secondary market, organised or not, national or foreign, authorising the board to carry out the appropriate procedures for such purposes, with the express possibility that the powers of any kind granted to the Board of Directors may in turn be delegated by the board to the Delegate Committee.

Likewise, the proposal includes authorising the board to guarantee the issue of fixed rate securities referred to in this resolution that may be made by companies belonging to Repsol YPF Group.

Finally, it must be specified that the proposal includes leaving without effect, in the portion not used, the sixteenth B) resolution of the General Shareholders' Meeting of 15 April 2011, due to identity in the matter regulated.

Report by the Board of Directors on the proposed resolution corresponding to Item Fourteenth on the Agenda ("Ratification of the creation of the Company's corporate website www.repsol.com")

Article 11 bis of the Companies Act, introduced by Act 25/2011 of 1 August on the partial reform of the Companies Act and incorporation of Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, establishes that the creation of the corporate website must be resolved by the Shareholders' Meeting of the company, expressly included on the agenda for the meeting, entered in the corresponding Commercial Register and published in the Official Gazette of the Commercial Registry.

Prior to approval of that provision, the Company had already created its corporate website www.repsol.com, which may be consulted by any shareholder or third party and was also entered in the Madrid Commercial Register as of 27 April 2011, put on record in a marginal note to entry no. 63 in volume 3,893, folio 178, section 8, page M-65289.

Consequently, since the Company's corporate website had already been created and entered in the Commercial Register prior to the entry into force of the new Article 11 bis of the Companies Act, it is proposed that the Shareholders' Meeting resolve to ratify the Company's corporate website www.repsol.com.

Report by the Board of Directors on the proposed resolution corresponding to Item Fifteenth on the Agenda ("Advisory vote on the Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for 2011")

Pursuant to Article 61 ter of the Securities Market Act 24/1988 of 28 July, as amended by the Sustainable Economy Act 2/2011 of 4 March, the Annual Report on the Remuneration Policy for Directors of Repsol YPF, S.A. for the fiscal year 2011 is put to the advisory vote by the shareholders as a separate item on the agenda.

This Report was approved by the Board of Directors at its meeting of April 17, 2012, upon recommendation by the Nomination and Compensation Committee, and is available for consultation by shareholders on the Company's website (www.repsol.com) and at its registered office, Paseo de la Castellana 278, Madrid, where shareholders may also request its delivery or remittance free of charge to such address as they may indicate.

Report of the Board of Directors on the resolution proposal related to the Sixteenth point of the Agenda ("Delegation of powers to complement, develop, execute, correct and formalise the resolutions adopted by the General Meeting")

This is the usual resolution that grants the Board of Directors the ordinary powers for the appropriate execution of the resolutions of the General Meeting itself, including the powers to formalise the deposit of the Annual Accounts and to register the resolutions subject to the same.

Report on the Remuneration Policy for Directors of Repsol YPF, S.A.

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1. Introduction

This report (the "Report") sets out the remuneration policy of Repsol YPF, S.A. (hereinafter "Repsol YPF" or the "Company") for the members of its Board of Directors and has been drawn up according to the principles of maximum transparency and information on remunerations applied by this Company in its public reporting documents.

The Report contains a description of the basic principles of the Company's remuneration policy regarding the members of the Board of Directors, addressing the remuneration of Executive and Non-Executive Directors separately, and a detailed disclosure of the different items comprising their remuneration, based on the relevant provisions of the Articles of Association and the Regulations of the Board of Directors, including also a description of the basic principles of the Group remuneration policy.

This Report will be put to an advisory vote by at the Ordinary General Shareholders' Meeting 2012.

2. Regulatory framework

Repsol YPF has been publishing information on the remuneration of its Directors since 2003. As far as the applicable legal framework is concerned, the Sustainable Economy Act 2/2011 of 4 March entered into force as of 6 March 2011, amending the Securities Market Act 24/1988 of 28 July to establish the obligation for listed companies to publish an annual report on their directors' remuneration, to be distributed and put to an advisory vote, under a separate item on the agenda, at the Ordinary General Shareholders' Meeting (AGM).

In addition, with regard to the reference framework on corporate governance, the National Securities Market Commission (CNMV) approved the Unified Code of Good Governance on 22 May 2006, as the only document on corporate governance recommendations, the main purpose of which was to recast the recommendations existing in Spain up to 2003, the harmonisation thereof made with those published later (OECD principles and European Union recommendations, *inter alia*) and taking into consideration the points of view of experts in the private sector, the Secretary of State for Economy, the Ministry of Justice and the Bank of Spain.

One of the basic principles of the Code is its voluntary nature, subject to the "comply or explain" principle recognised internationally and expressly contemplated in the current Article 116 of the Securities Market Act.

One of the recommendations made in the Unified Code of Good Governance is for the Board to approve a detailed remuneration policy, to be put to an advisory vote under a separate item on the agenda at the General Shareholders' Meeting.

Finally, with regard to internal regulations, the Articles of Association and the Regulations of the Board of Directors of the Company lay down the basic principles of the remuneration policy for directors and the duties of the Board of Directors and the Nomination and Compensation Committee in respect of that policy.

With this Report Repsol YPF complies with Article 61 ter of the Securities Market Act, the recommendations of the Unified Code of Good Governance and its internal regulations, continuing in its line of reporting transparency as regards remuneration.

3. Duties of the Board of Directors and the Nomination and Compensation Committee

As indicated in the preceding point, the duties of the Board of Directors of Repsol YPF and its Nomination and Compensation Committee regarding remuneration are regulated in the Articles of Association and the Regulations of the Board of Directors.

According to Article 5 of those Regulations, the **Board of Directors** shall approve the remuneration of the Directors and, in the case of Executive Directors, the additional remuneration for the performance of executive duties and other conditions of their contracts. It shall also approve the remuneration policy for Senior Executives.

As established in Article 33 of the Regulations, the **Nomination and Compensation Committee** has the duty of submitting to the Board proposals on its remuneration policy, assessing in its proposal the responsibility, dedication and incompatibilities required of Directors. In the case of Executive Directors, the Committee proposes the additional remuneration payable for performing their executive duties and for the other conditions of their contracts.

Moreover, as contemplated in Article 33, the Nomination and Compensation Committee also has a duty to submit to the Board of Directors a proposal regarding the remuneration policy for Senior Executives.

The Nomination and Compensation Committee is also responsible for the selection, appointment, re-election and removal of Directors. In this regard, it assesses the competence, expertise and experience required on the Board, defining the duties and skills sought in the candidates for any vacancy and assessing the time and dedication required to be able to perform their duties well. It also proposes the appointment, re-election or ratification of Non-Executive Independent Directors and informs on the appointment, re-election or ratification of other Directors, and on proposals for the appointment and removal of the Chairman, Vice-Chairmen, Secretary and Vice-Secretary of the Board of Directors and the Directors who are to sit on the different Committees.

4.

Composition of the Nomination and Compensation Committee and the Board of Directors

According to the Regulations of the Board of Directors, all the members of the Nomination and Compensation Committee are Non-Executive Directors, most of whom, i.e. three (3), are Independent and the other two (2) Proprietary. All the Committee members have extensive experience and expertise in the duties to be performed.

The Board appoints the Committee members for terms of four years. Although eligible for re-election on one or several occasions, Committee members shall step down on expiry of their term of office, when they step down as Directors or when so resolved by the Board of Directors, subject to a Report by the Audit and Control Committee.

As of 31 December 2011, the composition of the Nomination and Compensation Committee was as follows.

Name	Position	Status
Artur Carulla Font	Chairman	Independent
Mario Fernández Peláez	Member	Independent
María Isabel Gabarró Miquel	Member	Independent
José Manuel Loureda Mantiñán	Member	Proprietary
Juan María Nin Génova	Member	Proprietary

The Nomination and Compensation Committee held five (5) meetings in 2011, with 100% attendance by its members.

As regards the Board of Directors, the General Shareholders Meeting agreed, on May 9, 2007, to establish in 16 the number of Directors, within the limits provided under Article 31 of the Articles of Association.

Notwithstanding the above, after the dismissal presented by Mr. Luis del Rivero Asensio on December 20, 2012, the Board of Directors of the Company is made up of fifteen (15) members, being the majority of them Independent. In particular, two (2) of the Directors are Executive, five (5) are Proprietary and eight (8) are Independent, as follows:

Name	Position	Status
Antonio Brufau Niubó	Chairman	Executive
Isidro Fainé Casas	Vice-Chairman	Proprietary
Juan Abelló Gallo	Vice-Chairman	Proprietary
Paulina Beato Blanco	Member	Independent
Artur Carulla Font	Member	Independent
Luis Carlos Croissier Batista	Member	Independent
Ángel Durández Adeva	Member	Independent
Javier Echenique Landiribar	Member	Independent
Mario Fernández Peláez	Member	Independent
María Isabel Gabarró Miquel	Member	Independent
José Manuel Loureda Mantiñán	Member	Proprietary
Juan María Nin Génova	Member	Proprietary
Pemex Internacional España, S.A. represented by Marco Antonio de la Peña Sánchez ⁽¹⁾	Member	Proprietary
Henri Philippe Reichstul	Member	Independent
Luis Suárez de Lezo Mantilla	Member and Secretary	Executive

⁽¹⁾ On December 31, 2011 the Director Pemex Internacional España, S.A. was represented by Mr. Jose Manuel Carrera Panizzo.

The Board of Directors held twelve (12) meetings in 2011, with a 99.48% attendance, only one of its meetings being held without the attendance of all of its members⁽¹⁾. The Chairman of the Board of Directors and the Secretary have attended all the meetings held.

5.

Remuneration Policy for Directors

5.1 General principles of the remuneration policy for Directors

The principles and criteria applicable for determining the Directors' remuneration, for both their collegiate supervisory and decision-making duties and for the performance of other duties by the Executive Directors, are defined below.

The principles applicable to the remuneration of **Directors** for their collegiate supervisory and decision-making duties are as follows:

- The remuneration must be sufficient and adequate for the dedication, qualification and responsibilities of the Directors, but not to the extent of compromising their independence.
- Their remuneration shall also be set on arm's length terms, taking into consideration the remuneration established for Directors in other Spanish groups of listed companies having a similar size, business and operating complexity and geographical distribution of assets to those of Repsol YPF.

The remuneration policy for **Executive Directors**, for the performance of their executive duties other than the collegiate supervisory and decision-making duties corresponding to all Board members, is in line with the general remuneration policy for executives in the Repsol YPF Group, described below.

The Company aims to be a benchmark enterprise in all the areas in which it acts, by virtue of its high value added, outstanding business management, organizational and business values and culture and the quality of its management, and for creating value for its shareholders. To achieve those goals, the remuneration policy is based on the following premises:

⁽¹⁾ The rules established in the current model of Annual Report on Corporate Governance approved by the National Securities Market Commission Circular 4/2007 of 27 December have been followed to calculate non-attendance.

- Have a competitive overall pay level in respect of other comparable enterprises, to attract, retain and motivate the best professionals. Repsol YPF considers compensation to generate value, through which it assumes a commitment to its executives and makes them feel part of the organization.
- Establish a non-variable remuneration taking account of the references of other comparable enterprises by market and size and the sustained contribution of each executive so that it is competitive with the rest of the market.
- Maintain an annual variable component linked to the achievement of specific, quantifiable objectives aligned with corporate interests, with control and measurement systems to determine the receipt of the variable remuneration according to individual performance assessments and evaluation of the personal contribution to meeting the set objectives.
- Incorporate multi-year medium and long-term variable remuneration systems to encourage the sustained achievement of objectives over time and retain the key executives linked to those objectives.

Based on the foregoing, the Company's remuneration policy was designed taking into account comparative details of the remuneration schemes in other Spanish large business groups of listed companies with a size and importance similar to those of de Repsol YPF. The remuneration of the Executive Chairman has also been determined taking into account the evolution of remuneration trends in the European energy market.

The total compensation, considered the entire pay package, is made up of different items with a view to achieving a balance between them. These pay items are essentially: (i) non-variable monetary remuneration; (ii) annual variable remuneration; and (iii) multi-year variable remuneration; and (iv) welfare schemes.

5.2 Remuneration policy applied in 2011

This section describes the remuneration outline deriving from the policies applied in 2011 to determine:

- The remuneration of the Directors for performance of the collegiate supervisory and decision-making duties corresponding to them as Directors: and
- The remuneration of the Executive Directors for performance of their executive duties.

5.2.1 Remuneration policy for Directors for performance of duties inherent in the status of Director of Repsol YPF

Pursuant to Art. 45 of the Articles of Association, the Company may set aside each year a sum equivalent to 1.5% of the total net profit, after funding the legal and any other compulsory reserves and recognising a dividend of at least 4% for shareholders, for remuneration of the members of the Board, as compensation for the collegiate supervisory and decision-making duties corresponding to this body.

The Nomination and Compensation Committee recommends to the Board of Directors the criteria it considers adequate to comply with this provision of the Articles and the Board of Directors then sets the exact amount payable within that limit and its distribution among the different Directors, according to the positions held and duties performed by each one within the Board and its Committees.

The Directors receive a non-variable remuneration for their collegiate supervisory and decision-making duties. This remuneration is calculated by assigning points for being on the Board of Directors and/or its different Committees.

At the Board meeting held on 23 February 2011, the Board of Directors resolved, upon recommendation by the Nomination and Compensation Committee, to increase the value of the point by 2.5% for 2011, bringing that value to Euros 88,297.11 gross a year. This increase was resolved after analyzing the information on remuneration policies for the Directors of other listed companies having a size, complexity of business and operations and geographical distribution of assets similar to those of Repsol YPF, with a view to keeping the remuneration policy competitive as this amount had not varied since 2008.

The points table is set out below:

Body	Points
Board of Directors	2
Executive Committee (CD)	2
Audit and Control Committee (CAC)	1
Nomination and Compensation Committee (CNR)	0.5
Strategy, Investment and Corporate Social Responsibility Committee (CEIRSC)	0.5

The amounts received in 2011 by each of the Directors for being on the Board of Directors and its different Committees are indicated below:

Director	2011					Total
	Board	Committees				
		CD	CAC	CNR	CEIRSC	
Antonio Brufau Niubó	176,594	176,594	–	–	–	353,188
Isidro Fainé Casas	176,594	176,594	–	–	–	353,188
Juan Abelló Gallo ⁽¹⁾	176,594	29,432	–	–	44,149	250,175
Luis del Rivero Asensio ⁽²⁾	161,878	132,446	–	–	–	294,324
Paulina Beato Blanco	176,594	–	88,297	–	–	264,891
Artur Carulla Font	176,594	176,594	–	44,149	–	397,337
Luis Carlos Croissier Batista	176,594	–	–	–	44,149	220,743
Ángel Duráñez Adeva	176,594	–	88,297	–	–	264,891
Javier Echenique Landiribar	176,594	176,594	88,297	–	–	441,486
Mario Fernández Pelaz ⁽³⁾	117,729	–	–	29,432	–	147,162
M ^a Isabel Gabarró Miquel	176,594	–	–	44,149	44,149	264,891
Jose Manuel Loureda Mantiñán	176,594	–	–	44,149	44,149	264,891
Carmelo de las Morenas López ⁽⁴⁾	58,865	–	29,432	–	–	88,297
Juan María Nin Génova	176,594	–	–	44,149	44,149	264,891
Pemex Internacional España S.A.	176,594	176,594	–	–	44,149	397,337
Henri Philippe Reichstul	176,594	176,594	–	–	–	353,188
Luis Suárez de Lezo Mantilla	176,594	176,594	–	–	–	353,188

⁽¹⁾ Juan Abelló Gallo was appointed Vicechairman and member of the Executive Committee on 26 October 2011, substituting Luis del Rivero Asensio

⁽²⁾ Luis del Rivero Asensio resigned from the Board on 20 December 2011 and was substituted by Juan Abelló as Vicechairman and member of the Executive Committee on 26 October 2011.

⁽³⁾ Mario Fernández Pelaz was appointed Director on 15 April 2011.

⁽⁴⁾ Carmelo de las Morenas López resigned from the Board on 15 April 2011.

5.2.2 Remuneration policy for Executive Directors for performance of executive duties

As indicated in point 5.1 above, the remuneration policy for Executive Directors for performance of their executive duties is in line with the general remuneration policy for executives in the Repsol YPF Group and contemplates, inter alia, the following items:

- A non-variable remuneration taking account of the level of responsibility of those duties, making sure it is competitive in respect of the remuneration payable for equivalent duties in enterprises comparable with Repsol YPF.
- A variable remuneration which represents a significant proportion of the total remuneration and is linked to the achievement of predetermined, specific, quantifiable objectives directly aligned with the shareholders' interests and linked, in particular, to the objectives established in the Strategic Plan Horizon 2014. The variable remuneration is not based on the general

evolution of the markets or the sector, but on achievement of the objectives set and the Company's earnings in the economic environment.

The non-variable and variable (annual, multi-annual and one-off extraordinary bonus) remuneration accrued for each of the Executive Directors in 2011 for their executive work have represented, in relation to their total monetary remuneration, the following percentages:

	Non-variable Remuneration	Variable Remuneration
Antonio Brufau	31%	69%
Luis Suárez de Lezo	27%	73%

5.2.2.1 Non-variable remuneration

This remuneration includes the non-variable remuneration of Executive Directors as compensation for their executive positions and duties.

The Nomination and Compensation Committee submits a proposal to the Board of Directors each year regarding the amount of the non-variable remuneration of the Executive Chairman and the Director-Secretary, and the Board of Directors approves it, if appropriate.

Accordingly, at a Board meeting on 23 February 2011, the Board of Directors resolved, upon recommendation by the Nomination and Compensation Committee, to increase the non-variable remuneration of the Executive Chairman and the Director-Secretary by 2.5% in 2011, since those amounts had not varied since 2008.

The non-variable remunerations received by the Executive Chairman and the Director-Secretary in 2011 are indicated below:

Non-variable remuneration 2011	Thousand Euros
Antonio Brufau	2,368
Luis Suárez de Lezo	983

5.2.2.2 Annual variable remuneration

This refers to the short-term variable remuneration. The annual variable remuneration is intended to motivate the executive's performance and assesses on an annual basis his contribution towards achievement of predetermined, specific, quantifiable objectives and development of the Organization's values. In particular, these objectives refer to the key indicators for fulfilment of the Strategic Plan in force from time to time.

Based on the foregoing, the annual variable remuneration of the Executive Directors is calculated and received according to the overall assessment of their management.

To calculate the annual variable remuneration of the Executive Chairman for 2011, at its meeting of 23 February 2011 the Board of Directors, upon recommendation by the Nomination and Compensation Committee, previously established some objective, measurable criteria, which were taken into consideration to assess the amount.

The objectives set for the Executive Chairman are linked to the Strategic Plan Horizon 2014 approved by the Company in May 2010 and include the following variables:

- Application of the Strategic Plan 2010-2014.
- Maintenance of the financial and efficiency standards and reduction of costs.
- Earnings of the Company.
- Promotion of policies: (1) reputational; (2) good governance; (3) corporate social responsibility; and (4) environmental.

The Nomination and Compensation Committee assessed the degree of achievement of these objectives at its meeting on 28 February 2012, considering objective, verifiable, quantitative information.

The indicators used for this assessment included objective fulfilment parameters established in the Strategic Plan, which include both commercially sensitive information and other information that the Company announced in its earnings slideshow presented on 29 February 2012, registered with the CNMV, OTCQX and the Argentine National Securities Commission (http://www.repsol.com/imagenes/es_en/WEBCAST_Resultados_4T11_tcm11-618975.pdf), economic and financial details and the tangible results of promotion of the corporate policies

described above, including the naming of Repsol YPF leader of the Oil & Gas sector in the prestigious international sustainability index *Dow Jones Sustainability Index World*, numerous other external recognitions of the Company management⁽¹⁾, the improvement of corporate governance practices, by virtue of which the Company no longer entirely fails to comply with any recommendation of the Unified Code of Corporate Governance, execution of the Corporate Social Responsibility Model, review and update of the Carbon Strategy 2012-2020, and the 21% reduction of the rate of accidents with work absence (own and contractors' employees).

The annual variable remuneration of the Director-Secretary is also calculated according to predetermined, measurable criteria. The amount is approved by the Board of Directors, upon recommendation by the Nomination and Compensation Committee.

The objectives set for the Director-Secretary, apart from being generally related to the Strategic Plan 2010-2014, are especially linked to each of the management departments under his charge and the control of the Company. In particular, they take into account variables related with: (i) control of reserves; (ii) internal audit and control duties; (iii) corporate governance; (iv) institutional relations; (v) corporate responsibility; (v) legal services; and (vi) asset management.

Based on the foregoing and after analyzing the degrees of fulfilment of their respective objectives by the Executive Chairman and the Director-Secretary, the Board of Directors resolved on 28 February 2012, upon recommendation by the Nomination and Compensation Committee, to establish and settle the amounts indicated below as the annual variable remuneration for 2011 to be received by each one.

Annual variable remuneration 2011	Thousand Euros
Antonio Brufau	337 ⁽¹⁾
Luis Suárez de Lezo	442

⁽¹⁾ As regards the Executive Chairman, although he has accrued an annual variable remuneration of 1,065,487.50€, under his terms of contract the amounts corresponding to him according to the Articles of Association for being on the boards of the Repsol YPF Group and its subsidiaries, which amounted to 728,268.86€ in 2011, must be deducted from this amount, so the sum finally received by the Executive Chairman as annual variable remuneration is the amount set out in the above table.

5.2.2.3 One-off extraordinary bonus 2011

As an exception in 2011, implementing the resolution passed by the Board of Directors on 23 February 2011, following a favourable report issued by the Nomination and Compensation Committee, the Executive Directors and other senior executives earned a one-off extraordinary bonus in 2011 associated with the achievement of certain strategic landmarks for the Company, such as the execution of the agreements with China Petroleum & Chemical Corporation ("*Sinopec*") to develop jointly exploration and production projects in Brazil. Said execution was carried out by means of the capital increase of 7,111 USD millions in Repsol Brasil S.A.

⁽¹⁾ Repsol is still included, for the sixth year in succession, in the European index *Dow Jones Sustainability Index Europe* (only 20 Spanish companies have passed the rigorous selection for inclusion in these indexes and 12 companies in the oil&gas sector form part of the *Dow Jones Sustainability Index World*). Moreover, for the eighth year in succession, Repsol is included in the indexes *FTSE4Good Global y Europe*; and it has been in the Spanish sustainability index FTSE4 Good Index since its creation in 2008. Repsol has once again been awarded the *Gold Class Company* rating according to the *Anuario de Sostenibilidad 2011* (Sustainability Yearbook 2011) in recognition of the companies with the best performance in sustainability and corporate responsibility in the world. Repsol YPF has also received recognition from the magazine *Newsweek* as the company with the best environmental performance in the energy sector in the *Green Ranking 2011*. The Company has been recognized as *Best European Energy Company for its executive leadership* according to a study made by the international consultancy *Hay Group* (Repsol is the only energy company in the top 10 of the ranking drawn up in this analysis). In addition, it has been granted the Award for the Spanish Company with the *Best Financial Reporting on Internet, Transparency and Reliability*, in the section of companies listed in the IBEX 35. This is the X edition of these annual awards, granted by the *Spanish Accounting and Business Administration Association (AECA)* and it was awarded the "Llotja" Prize for the Best Information provided by Companies for their shareholders and the market, a recognition awarded each year by the Chamber of Commerce of Barcelona. Repsol was also awarded the "El Diamante de la Compra" (Purchase Diamond) prize by the *Spanish Association of Procurement, Contracting and Purchase Professionals (AERCE)*, in the innovation category for its new procurements model. Repsol received the emblem "Equality within the Company" awarded by the Ministry of Health, Welfare Policy and Equality. It has also received the Ability Award for the "Best private enterprise". Furthermore, Repsol and its Foundation have received the *Discapnet of Fundación Once Prize*. The Chairman del Board has also been awarded the prize for the "Best Entrepreneur 2010" by the Federation of Spanish Chambers of Commerce (FEDECOM) and was invested *doctor honoris causa* in 2011 by the University of Ramón Llull.

(now Repsol Sinopec Brasil, S.A.), subscribed up entirely by Sinopec on December 28, 2010 that motivated a significant earnings growth in 2010. It is, therefore, a one-off, extraordinary remuneration associated with 2010 and is consequently not expected to be a recurring payment in the future.

The amount of the extraordinary bonus awarded to the Executive Chairman and the Director-Secretary is as follows:

Extraordinary bonus 2011	Thousand Euros
Antonio Brufau	2,772
Luis Suárez de Lezo	1,678

5.2.2.4 Multi-year variable remuneration

Since 2000, the Company has implemented four-year monetary incentive programs linked to the achievement of medium-term objectives, with a view to retaining and motivating the key executives related with those objectives and securing a sustained maximization of the value of Repsol. Those programs have been approved by the Board of Directors of Repsol YPF, upon recommendation by the Nomination and Compensation Committee. The beneficiaries of these programs are the executives and, selectively, other employees with a high qualification and potential for the Company.

At year-end 2011 the Medium-Term Remuneration Programs 2008-2011, 2009-2012, 2010-2013 and 2011-2014 were in force, although the first of them (2008-2011) was closed, in accordance with its terms, as of 31 December 2011 and its beneficiaries will receive the corresponding variable remuneration in the first quarter of 2012, after assessing the degree of achievement of its objectives.

The aforesaid programs are independent of one another but their main features are the same. In all cases they are specific multi-year remuneration schemes for the years contemplated in each one. Each scheme is linked to the fulfilment of a number of objectives and strategic commitments established in the Group's Strategic Plan in force from time to time and are directly aligned with the shareholders' interests, in that they contribute to the generation of value for the Company. Both the objectives and the variables used to measure their achievement are previously established by the Board, following a report by the Nomination and Compensation Committee.

If they meet their respective objectives, the beneficiaries of each scheme are entitled to a medium-term variable remuneration in the first quarter of the year after the end of the scheme. The Nomination and Compensation Committee assesses the level of achievement of the predetermined objectives and submits its proposal to the Board of Directors. However, in each case receipt of the incentive is conditional upon the beneficiary remaining in the Group up to 31 December of the last year of the program, save in the special cases contemplated in the regulations of each program.

The sum receivable under each of the incentive programs is calculated by applying two variable coefficients: one according to the degree of achievement of the set objectives and the other linked to the personal performance of the beneficiary during the period contemplated in the program.

Several variables have been taken to determine the degree of fulfilment of the objectives in the Medium-Term Remuneration Program 2008-2011, within the different business, corporate and financial objectives, those variables being weighted to establish the final value of the objective.

Within the business objectives, the Committee took particularly into account the core growth variables in the Downstream area and focused growth in the Upstream area. Within the corporate and financial objectives, the variables used are those of optimization and financial discipline, value creation and safety and environment.

To be able to assess the level of fulfilment of each variable, coefficients have been established according to certain indicators within each of the variables mentioned. The degree of individual fulfilment is calculated by comparing the real values and the reference values of those indicators.

The indicators used to determine the degree of fulfilment of the (IMP) 2008-2011, in respect of the Upstream Area, include, inter alia, the reserve replenishment ratio, prospecting success rate, increase in production and volume of LNG put on the market. In Downstream, the degree of execution of the two major projects in Spain (Cartagena and Bilbao) and the integrated refining and marketing margin were taken as reference; and for the safety and environment objective, the rate of accidents with work absence and the reduction of greenhouse gas emissions were taken as reference.

According to the Executive Chairman's terms of contract, he receives a multi-year variable remuneration based on the degree of achievement of the objectives approved for the variable remuneration programs for Executives of the Repsol YPF Group. Consequently, although the Executive Chairman does not currently participate in any of the Medium-Term Remuneration Programs open, the degree of achievement of the objectives approved for the corresponding incentive scheme ending in each year is taken as reference to determine the amount of his multi-year variable remuneration, paid in the following year.

The Director-Secretary is a beneficiary of the Medium-Term Remuneration Programs 2008-2011, 2009-2012, 2010-2013 and 2011-2014.

The Nomination and Compensation Committee agreed at its meeting on 28 February 2012 to set the degree of fulfilment of the objectives of the Medium-Term Remuneration Program 2008-2011 at 86.3% and, accordingly, to submit a proposal to the Board of Directors proposing the amounts of multi-year variable remuneration for the Executive Chairman and the Director-Secretary, as indicated in the following table. The Board of Directors resolved on 28 February 2012 to approve the proposal of the Nomination and Compensation Committee to pay the amount of the multi-year variable remuneration of the Executive Chairman and the Director-Secretary for 2011.

Multi-year variable remuneration 2011	Thousand Euros
Antonio Brufau	1,553
Luis Suárez de Lezo	586

5.2.3 Other payments

In addition, the expense for 2011 corresponding to payments in kind received by the Executive Directors amounts to 52 thousand Euros for the Executive Chairman and 4 thousand Euros for the Director-Secretary.

5.2.4 Non-variable remuneration as members of the Board of Directors of other Group companies

The Executive Directors may receive an additional non-variable remuneration for being on the boards of directors of other Group, multigroup or associated companies.

In this regard, in 2011 the Executive Chairman and the Director-Secretary received the amounts indicated below for being on the boards of directors of other Group, multigroup or associated companies. As indicated in point 5.2.2.b) above, these amounts corresponding to the Executive Chairman are deducted from his annual variable remuneration.

Remuneration 2011	Gas Natural SDG, s.a.	YPF, s.a.	TOTAL
Thousand Euros			
Antonio Brufau	290	85	375
Luis Suárez de Lezo	152	84	235

The Non-Executive Directors have not received any other remuneration for being on the boards of other Group, multigroup or associated companies.

5.2.5 Welfare Schemes

Repsol YPF considers that the pay package of the Executive Directors should have a composition in line with market trends, so the emoluments described above are supplemented with a welfare scheme. The Non-Executive Directors are not beneficiaries of any Repsol YPF welfare scheme.

The Executive Chairman has an insurance policy covering retirement, disability and death, in which Repsol YPF is named policyholder. The beneficiary for retirement and disability is the Executive Chairman himself, and in the event of his death, the beneficiaries shall be the persons designated by the Executive Chairman.

The Director-Secretary is a beneficiary of the "Permanence Reward", a deferred compensation rewarding his permanence in the Repsol YPF Group. This compensation is structured in an investment fund called "Permanence Fund, FI".

Each year Repsol YPF contributes an amount equal to 20% of the annual non-variable remuneration of the Director-Secretary to the Permanence Fund, FI, receiving in exchange units in the Fund. Those units are owned by Repsol YPF until the Director-Secretary retires, whereupon the vested right will be transferred to him, together with the title over the units. He will also be entitled to the cumulative amount of the Permanence Reward upon termination of his contract, in cases entitling him to compensation, and on reaching the age of 62.

The Director-Secretary is also unit-holder of a defined contribution company pension scheme of Repsol YPF, the maximum contribution to which is set by collective agreement at 7,212€ a year.

He is also the beneficiary of an insurance policy covering disability and death, in which Repsol YPF is named policyholder.

The cost of the insurance policies taken out by the Company for the Executive Directors, covering retirement, disability and death, and the contributions to pension schemes and welfare schemes, including the corresponding payments on account, where appropriate, totalled 2,768 thousand Euros in 2011, corresponding to the following items: for the Executive Chairman, 228 thousand Euros correspond to life insurance and 2,443 thousand Euros to contributions to the pension scheme and cost of retirement insurance. For the Director-Secretary, 91 thousand Euros correspond to life insurance, 7 thousand Euros to contributions to pension schemes and cost of retirement insurance and 197 thousand Euros to contributions to the Permanence Reward.

5.3 Stock Plans

On 15 April 2011, the General Shareholders' Meeting of Repsol approved a proposal submitted by the Board of Directors after a favourable report by the Nomination and Compensation Committee to create two stock plans: (i) the Stock Acquisition Plan 2011-2012; and (ii) the Stock Acquisition Plan by the Beneficiaries of the Medium-Term Remuneration Programs and Subsequent Additional Shares Delivery. The implementation of said plans is the most relevant change in the remuneration policy corresponding to year 2011 in respect of the one applied in 2010.

The purpose of the first plan, i.e. the Stock Acquisition Plan 2011-2012 is to enable executives and employees of the Repsol YPF Group in Spain who so wish to receive up to 12,000 € of their annual remuneration in Company shares. This plan does not, therefore, entail any additional remuneration, but merely enables payment of the compensation of its beneficiaries to be structured differently, in shares, at their choice. The Executive Directors do not participate in this Plan since they do not have an employment relationship with the Company.

The purpose of the second stock plan, that is, the Stock Acquisition Plan by the Beneficiaries of the Medium-Term Remuneration Programs and Subsequent Additional Shares Delivery is to enable the Executive Directors and the beneficiaries of the current multi-year remuneration programs to invest up to 50% of the gross assessment of the medium-term incentive to be received on an annual basis, such that if the beneficiary holds the shares for a period of three years and meets the other conditions of the Plan, the Company will give them, at the end of that period, one additional share for every three initially acquired. Consequently, the Stock Acquisition Plan by the Beneficiaries of the Medium-Term Remuneration Programs and Subsequent Additional Shares Delivery is not linked to the fulfilment of objectives of the multi-year variable remuneration programs or their results; these programs are only taken as reference to determine who the beneficiaries of the Plan are and the maximum amount that these can assign to such Plan. This Plan is not designed to reward its beneficiaries for their performance, as in the performance-based share plans, but to foster alignment of the long-term interests of those individuals with the interests of the Company's shareholders, so it is a fidelity programme.

According to Regulatory Announcement no. 145028 published by the Company on 3 June 2011, the process for voluntary joining by beneficiaries of the First Cycle of the Plan (i.e. the beneficiaries of the multi-year variable remuneration program IMP 2007-2010, liquidated in 2011) was conducted in May 2011 and culminated in the initial acquisition of shares on 30 May 2011. This cycle will end on the date of delivery of the additional shares to the participants, which will be in June 2014. There are 350 participants, which is 58.47% of the total number of potential beneficiaries and the total number of shares initially acquired by the participants was 227,498 shares at a price of 23.5357 Euros per share, so the maximum total number of additional shares to be delivered at the end of the Cycle is 75,710 shares, although the final number of shares will depend on the fulfilment by participants of all the conditions of the Plan.

As a demonstration of their commitment to the Company and the shareholders' interests, both the Executive Chairman and the Director-Secretary have joined the First Cycle of the aforesaid Stock Acquisition Plan by the Beneficiaries of the Medium-Term Remuneration Programs and Subsequent Additional Shares Delivery.

The Director-Secretary has assigned 150 thousand Euros of his multi-year variable remuneration 2011 for acquiring Company's shares. The Chairman has assigned the maximum amount permitted, i.e. 753 thousand Euros which represent 50% of the amount assessed as his multi-year variable remuneration for 2011 to the purchase of shares in the Company. At present, the Executive Chairman is the second largest individual shareholder of Repsol YPF, which demonstrates the extent of his commitment to the Company and its evolution.

5.4 Civil liability insurance

All the Directors are covered by the same civil liability policy, which covers all the directors and executives of the Repsol YPF Group.

5.5 Other features of the Executive Directors' contracts

The contracts with the Executive Chairman and the Director-Secretary were signed in 2004 and 2005, respectively. Both contracts were approved by the Board of Directors following a favourable report by the Nomination and Compensation Committee, which, after analyzing prevailing market practices at that time and obtaining external advice from independent experts, submitted the proposed terms of contract to the Board.

A deferred economic compensation is contemplated for both Executive Directors in the event of termination of contract, equivalent to three years' total annual monetary remuneration, plus one year's remuneration in an identical amount as compensation for the post-contractual no competition clause for the year after termination of contract.

The deferred economic compensation will be paid if their contracts are terminated on grounds attributable to Repsol YPF, by mutual accord or, in the case of the Director-Secretary, in the event of objective circumstances such as a significant change in the shareholding structure of the Company.

As a result of the evolution of corporate governance practices and the financial crisis that began in 2007, greater attention is now paid to issues related with the terms and conditions of the contracts of executive directors and senior officers of companies, which has in turn caused an evolution in both the voting policies of investors on those matters and the recommendations. In particular, the Recommendation of the European Commission 2009/385/EC of 30 April 2009 proposes that termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.

The Nomination and Compensation Committee and the Board of Directors are aware and sensitive to this evolution and are analyzing the actions and position to be taken by Repsol YPF in this regard, taking into account not only the relevant recommendations, but also market practices in the markets in which the Company is to operate.

5.6 Remuneration Policy 2012

Certain issues of the remuneration policy applicable for Directors of Repsol YPF during 2012 are explained below.

With regard to the remuneration of Directors for performing collegiate supervisory and decision-making duties, the Board of Directors resolved on 28 February 2011, upon recommendation by the Nomination and Compensation Committee, not to raise for 2012 the value of the point assigned for being on the Board of Directors or the different Committees. Consequently, this is maintained at 88,297.11 Euros gross a year.

With regard to the non-variable remuneration of the Executive Directors for the performance of their executive duties in addition to their collegiate supervisory and decision-making duties as Directors, the Board resolved on 28 February 2011, upon recommendation by the Nomination and Compensation Committee, not to increase for 2012 the amount of the non-variable remuneration of the Executive Chairman and Director-Secretary, maintaining it at the 2011 level.

Audit and Control Committee of the Board of Directors of Repsol YPF, S.A.

Activity Report for the 2011 Fiscal Year

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Appendix: Calendar of meetings held in the 2011 fiscal year

1

Background

The Audit and Control Committee of the Board of Directors of Repsol YPF, S.A. was constituted by the Board at its meeting held on February 27, 1995.

Although recognised by a number of "Codes of Good Corporate Governance" published in Spain, such as the "Olivencia" Report (1998) and the "Aldama" Report (2003), the constitution of this type of Committees in the Board of Directors of listed companies, was not obligatory in this country until November 23 date in which the Financial System Reform Measures Act 44/2002, of 22 November, came into effect.

Article 32 of the Regulations of the Board of Directors of Repsol YPF, S.A. establishes the structure, the operation and the field of activity of the Audit and Control Committee.

In accordance with the provisions of these Regulations, the Committee is an internal body of the Board of Directors with duties of supervision, reporting, advice and proposal, as well as the other duties attributed to it by Law, the Articles of Association or the Regulations of the Board of Directors.

The essential function of the Committee is to act as support for the Board of Directors in its tasks of supervising, through the regular checking of the preparation of economic and financial information, of the effectiveness of its executive controls, supervision of the Internal Audit and of the independence of the External Auditor, as well as reviewing compliance with all the legal provisions and internal regulations applicable to the company. Similarly, the Committee has the power to submit the agreement proposal for the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, on the appointment of the External Accounts Auditors, the renewal or cessation of its appointment, and the terms under which it is to be retained.

Since its creation, and until 31 December 2011, the Board of Directors' Audit and Control Committee has met on one hundred thirty one occasions (the last – in this period – was on 12 December 2011).

2

Composition

Both the Articles of Association and the Regulations of the Board of Directors establish that the Audit and Control Committee will comprise at least three members. Similarly, these rules stipulate that all the members of the Committee should be Outside or non-Executive Directors, and at least one of them shall be an independent outside director.

Likewise, and with the aim of ensuring the best fulfilment of its duties, the Regulations of the Board of Directors establish that the members of this Committee will be appointed by the Board, taking into account (in particular, in the case of the independent outside director) their knowledge and experience in terms of accountancy, auditing or in both, and the Chairman must also have experience in business or risk management and knowledge of accounting procedures and, in any event, some of its members must have the financial experience that may be required by the market regulatory bodies of the stock markets in which the shares or titles of the Company are listed.

The Committee appoints its Chairman from among its members, who must, in any event, have the status of Independent Outside Director, while the Secretary of the Committee will be the Secretary of the Board of Directors.

The members of the Audit and Control Committee serve for a term of four years as of their appointment, and they may be re-elected after this term, with the exception of its Chairman, who may not be re-elected until one year has elapsed after their resigning from the post, without prejudice to their continuance or re-election as member of the Committee.

During the 2011 fiscal year, the composition of the Audit and Control Committee underwent the following changes:

- At 1 January 2011, the following members of the Board of Directors comprised this Committee:

Position	Members	Type
Chairman	Mr. Ángel Durández Adeva	Independent Outside
Member	Mrs. Paulina Beato Blanco	Independent Outside
Member	Mr. Carmelo de las Morenas López	Independent Outside
Member	Mr. Javier Echenique Landiribar	Independent Outside

- On April 15, 2011, Mr. Carmelo de las Morenas resigned as Director of Repsol YPF. From this date and until December 31, 2011, the Audit and Control Committee has been composed of the following members (this composition is maintained at the date of approval of this report):

Position	Members	Type
Chairman	Mr. Ángel Durández Adeva	Independent Outside
Member	Mrs. Paulina Beato Blanco	Independent Outside
Member	Mr. Javier Echenique Landiribar	Independent Outside

Consequently, during the 2011 fiscal year all the members of the Audit and Control Committee have held the status of "Independent Outside Directors", in accordance with the requirements set out in Article 3.5 of the Regulations of the Board of Directors, having been appointed due to their recognised personal and professional prestige and to their experience and expertise for the exercise of their duties. Similarly, they are not connected with the executive team and the significant shareholders of the company and they incur none of the situations described in Article 13.2 of the Regulations of the Board of Directors.

The professional profiles of the current members of the Committee are the following:

Mr. Ángel Durández Adeva: BA Economics, Profesor of Commerce, chartered accountant and founding member of the Registry of Economic Auditors. He joined Arthur Andersen in 1965 where he was Partner from 1976 to 2000. Up to March, 2004 he headed the Euroamerica Foundation, of which he was founder, entity dedicated to the development of business, political and cultural relationships between the European Union and the different Latin American Countries. Currently he is Director of Mediaset Comunicación España, S.A., Quantica Producciones, S.L. and member of the Advisory Board of FRIDE (Foundation for the international relations and the foreign development), Chairman of Arcadia Capital, S.L. and Información y Control de Publicaciones, S.A., Member of Foundation Germán Sánchez Ruipérez and Foundation Independiente and Vicepresident of Foundation Euroamérica

Mrs. Paulina Beato Blanco: Phd Economics, University of Minnesota, Professor of Economic Analysis, Commercial Expert and Economist of the State. Former Executive Chairperson of Red Eléctrica de España, Director of CAMPSA and major financial institutions. Formerly Chief Economist in the Sustainable Development Department of Inter-American Development Bank and Consultant in the Banking Supervision and Regulation Division of the International Monetary Fund. Currently she is advisor to the Iberoamerican Secretary General (Secretaría General Iberoamericana), professor for Economic Analysis and member of a special Board for promoting Knowledge Society in Andalusia.

Mr. Javier Echenique Landiribar: Ba Economics and Actuarial Science. Former Director-General Manager of Allianz-Ercos and General Manager of BBVA Group. Currently Chairman of Banco Guipuzcoano, Director of Telefónica Móviles México, Actividades de Construcción y Servicios (ACS), S.A., Grupo Empresarial Ence, S.A. and Celistics, L.L.C., Delegate of the Board of Telefónica, S.A. in the Basque region, Member of the Advisory Board of Telefónica Europe, Member of Foundation Novia Salcedo and Foundation Altuna, and Member of the Círculo de Empresarios Vascos.

3

Regulation of the Audit and Control Committee

The internal regulation of the Audit and Control Committee is included in Article 39 ("Audit and Control Committee") of the Articles of Association and in Article 32 ("The Audit and Control Committee") of the Regulations of the Board of Directors.

The Articles of Association and the Regulations of the Board of Directors are registered in the Madrid Trade Registry and are accessible to the public on the Company's website (www.repsol.com).

4

Operation

In accordance with the provisions of the Regulations of the Board of Directors, the Audit and Control Committee meets as many times as is necessary in order to fulfil the duties with which it has been entrusted and whenever its Chairman calls it or when so requested by two of its members. The calls to meeting are communicated, with a minimum advance notice of 48 hours, by letter, telex, telegram, fax or e-mail, and will include the agenda of the meeting. The minutes of the previous meeting will be included with the call to meeting, whether they have been approved or not, as will the information that is deemed necessary and that is available.

The meetings are normally held at the registered office of the company, but they may also be held at any other address determined by the Chairman and stated in the call to meeting.

For the Committee to be validly constituted, it is required that more than half of its members attend the meeting, in person or represented, except in the event of a lack of call to meeting, which requires the attendance of all of them. Members of the Committee who do not attend the meeting in person may confer their representation on another member of the Committee.

Agreements must be adopted with the vote in favour of the majority of the members present in person or by representation. In the event of a tie, the Chairman or the person acting in their place at the meeting will have the casting vote.

The Secretary to the Committee draws up the minutes of the agreements adopted at each meeting, which will be available to the members of the Board.

The Chairman of the Committee regularly informs the Board of Directors of the progress of its actions.

The Committee drafts an annual calendar of meetings and an action plan for each fiscal year, including an Annual Report on its actions, informing the Board of this.

Similarly, at least once a year the Committee assesses its operation and the quality and efficiency of its work, informing the Board of the result of this evaluation.

5

Resources of the Committee

For the best fulfilment of its duties, the Committee may use the advice of Lawyers or other external professionals, in which case the Secretary of the Board of Directors, on requirement by the Chairman of the Committee, will make available everything necessary for their hiring and their work will be directly referred to the Committee.

The Committee may also use the collaboration of any member of the management team or the rest of the staff, and the attendance at its meetings of the Company's Accounts Auditors.

6

Main activities carried out in the 2011 Fiscal Year

In the 2011 fiscal year, the Audit and Control Committee met on ten occasions. All the members of the Committee attended in person to all these meetings.

In fulfilment of its essential duty of acting as support for the Board of Directors in its tasks of supervising, and among other activities, the Committee carried out the periodic review of the economic/financial information, the supervision of the effectiveness of internal control systems and the control of the independence of the External Accounts Auditor. This Report contains a summary grouped under the various basic duties of the Committee.

Attached, as an Appendix, is a calendar of the meetings held by the Audit and Control Committee during the 2011 fiscal year, with a description of the main issues discussed in them.

6.1

Economic/financial information

During the period covered by this Activity Report, the Audit and Control Committee has analysed, prior to its presentation to the Board, and with the support of the Economy/Finance General Department and the External Accounts Auditor of the Company, the annual financial report for the 2010 fiscal year, the quarterly statements for the first and third quarters of 2011 and the six-monthly statements of 2011.

Similarly, the Committee verified that the Annual Financial Statements for the 2010 fiscal year, submitted to the Board of Directors for their approval, have been certified by the Chairman and the Group Managing Director of Finance and Corporate Services (CFO) on the terms required by the applicable internal and external rules.

Similarly, the Committee has checked the content of the Consolidated Financial Statements for the 2010 fiscal year which the Company, in its capacity as company listed in Argentina, has submitted to the Comisión Nacional de Valores (CNV) of this country and the Bolsa de Comercio in Buenos Aires.

6.

Internal control systems

In order to check the internal control and the effectiveness of risk management systems periodically so that the main risks are identified, managed and adequately understood, the Committee has monitored the progress of the Annual Corporate Audit Plan, aimed at covering the Group's critical and significant risks.

Throughout the fiscal year, the Committee has been informed by the Corporate Audit Director of the most relevant facts and recommendations made evident in the tasks performed by this unit in the year and the status of the recommendations issued previously.

Similarly, the Committee has been informed regarding the annual planning scheme of the Audit and Control Department for the 2011 fiscal year, whose objectives include, among others, to ensure the effectiveness and efficiency of control systems that the Group has established to mitigate the most critical risk; to consolidate the increasing scope and resizing of the Audit department's Association Control function; to complete the process of identifying and measuring of the Group's most critical risks; to develop a formal framework for the risk integrated management within the Company, in line with quality standards and the best industry practices; and the implementation of an internal control system for the detection and prevention of crimes within the Group (Corporate Defense), which was launched in 2011 under the supervision of the Audit and Control Committee.

In addition, Repsol is adhered to the Good Tax Practices Code and according to its provisions the Committee has been informed of the fiscal policies implemented by the Company during the year 2010, as well as Repsol's policies regarding the prevention of fiscal risk, fiscal transparency, collaboration against fraudulent practices and promoting the use of non-litigious mechanisms for resolving disputes.

The Committee was informed of the update and additional measures developed by the Company in the prevention and management of risks associated with the drilling and construction of exploration and production oil wells

Additionally, the Audit and Control Committee has supervised the effectiveness of the Internal Control System on Financial Reporting. To this effect, the Audit and Control Committee acts as the ultimate control and supervision body of the operation of the Internal Control over Financial Reporting of the Group Repsol.

6.3

Relations with the Internal Auditor

Besides what has been described in the above section, the Committee has, in accordance with the stipulations of the Regulations of the Board of Directors, ensured the independence and efficiency of the Internal Audit and that it has the adequate qualification and resources to fulfil its duties in the Group, both in terms of staff and material elements, systems, procedures and manuals of action.

Similarly, the Committee has been informed of the closing and evaluation of the Annual Plan of Corporate Audit 2010, and analysed, approved and monitored the Annual Corporate Audit Plan 2011.

6.4

Relations with the External Auditor

a. Selection of the external auditor for the 2011 fiscal year

Article 32.4 of the Regulations of the Board of Directors establishes that the term of the External Audit contracts should be for annual periods, unless otherwise provided for by applicable legal rules. These contracts may be renewed year on year if the quality of the service is satisfactory and an agreement is reached on its remuneration.

However, the Regulations of the Board of Directors establishes that every five years an open selection process will take place for the leading most prestigious firms of auditors to choose the one that offers the best balance between the quality of the service offered (the minimums of which will be set as a requirement prior to this process) and the sum of its remuneration, which will be communicated to the Board of Directors in a specific point in its Agenda.

In accordance with the Regulations of the Board of Directors, the Audit and Control Committee agreed to start a selection process for the appointment of the Accounts Auditor of Repsol YPF, S.A. and its Consolidated Group, for the 2011 fiscal year audit.

As a result of this process, the Audit and Control Committee proposed to the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, the re-election of "Deloitte S.L." as the Accounts Auditor of Repsol YPF, S.A. and of its Consolidated Group, for the period of one year, for the review of the Annual Financial Statements and the Management Report of Repsol YPF, S.A. and of its Consolidated Group for the 2011 fiscal year, as the auditing firm that had the best balance between the quality of the service offered and the sum of its remuneration.

The Board of Directors, for its part, agreed to submit this proposal to the Ordinary General Shareholders' Meeting held on 15 April 2011, which approved it.

b. Pre-approval of the services provided by the external auditors

In order to comply with the requirements of the Sarbanes Oxley Act, applicable to the Company until the effectiveness of its deregistration with the U.S. Securities and Exchange Commission (SEC) in June 2011, and other applicable regulations, and as a measure of good corporate governance, the Audit and Control Committee, in its task of ensuring the independence of the External Auditor, agreed in the 2003 fiscal year on a procedure to approve previously all the services, be they auditing or not, provided by the External Auditor, whatever their extent, scope and nature. This procedure is regulated in an Internal Rule mandatory for the whole of the Repsol YPF Group.

This Internal Rule was reviewed by the Committee under the above deregistration and the fact that its Argentina subsidiary YPF, SA remains a company registered with the SEC and, therefore, subject to the requirements of the Sarbanes Oxley Act.

According to the above review, while YPF, S.A. remains registered with the SEC and its Audit Committee should approve the services provided by its external auditor, YPF's Audit Committee shall approve the hiring, by the management and business units and subsidiary companies of YPF, of professional services, audit or other, with YPF's external auditor.

These services, even when they are provided by the Repsol YPF's external auditor, will not require the approval of the Repsol YPF's Audit and Control Committee. However, in order to ensure the external auditor independence, Repsol YPF's Audit and Control Committee shall be informed, in any case, of the services approved by the YPF's Committee.

With that single exception, the Audit and Control Committee has been approving, during the year 2011, the services provided by the External Auditor to Repsol YPF's Group companies. In addition, from the mentioned above Internal Rules review, the Committee has been informed of the services provided by Repsol YPF's external auditor, approved by YPF's Audit Committee.

The Internal Rules establishes a delegation of powers to the Chairman of the Audit and Control Committee so that he may authorise the services provided by the External Auditor. Making use of this delegation, the Chairman has approved the provision of a series of services for which the ratification of the Committee has after been requested.

c. Information received from the external auditors

At the meeting of the Audit and Control Committee, held on 22 February 2011, and prior to the review of the annual financial statements, the external auditors of the Repsol YPF Group, Deloitte S.L., after their confirmation of independency according to the Spanish and United States applicable rules, informed the Committee of the main aspects noted in the audit of the Annual Financial Statements of Repsol YPF Group at 31 December 2010 and its review of the System of Internal Control over Financial Reporting (SICFR).

In this respect, the external auditors informed that the audit opinion on the Annual Financial Statements of Repsol YPF, S.A. and the Consolidated Annual Financial Statements of Repsol YPF Group was favourable and contained no exception whatsoever. They similarly reported that no "material weakness" had been detected in the SICFR to mention to the Committee.

Likewise, at the meeting of the Audit and Control Committee held on 26 July 2011, Deloitte informed of the limited review report of the six-monthly summary statements for the first quarter 2011.

At the meeting of the Audit and Control Committee held on 12 December 2011, Deloitte also informed the Committee on its preliminary review of the consolidated financial statements of Repsol YPF, S.A. at 30 September 2011 in relation to the audit of the Annual Financial Statements for the 2011 fiscal year, and on the situation of their work checking the internal controls over the financial information of the Repsol YPF Group.

d. Committee's report on the External Auditors Independence

The Audit and Control, at its meeting held on February 22, 2011, reviewed and approved a report on the external auditor independence, which refers to the main issues related to this independence, including the information received from the auditor, the amount of fees for services provided during 2010, the period in which the partners responsible for the audit team have been developing this role in the Group, and the external auditor services pre-approval system.

This report concluded that there are not objective reasons to question the independence of Deloitte as auditor of Repsol YPF, SA and its Consolidated Group.

6.5 Oil and gas reserves

In fulfilment of the duties assigned to it, in the 2011 fiscal year the Committee supervised the sufficiency and the effective operation of the registry and internal control systems and procedures in the measurement, valuation, classification and accounting of the oil and gas reserves of the Repsol YPF Group, such that their inclusion in the periodical information of the Group is in line at all times with sector standards and applicable regulations.

6.6 Environment and security

With the aim of knowing and guiding the policy, objectives and directives of the Repsol YPF Group in the areas of environment and security, throughout the fiscal year the Committee has been informed by the Resources Department of the evolution of the main security data and environmental parameters and of the actions taken and the objectives of the Repsol YPF Group in these areas.

6.7 Assessment of the operation of the Audit and Control Committee

Based on the most important requisites and functions of the Audit and Control Committee contemplated in applicable legislation, in the Articles of Association and the internal regulations of the Board of Directors and the Committee, the Audit and Control Committee made an assessment in 2011 of its own operation and efficiency in line with the recommendations of the "Unified Code".

In view of the results of that assessment, at its meeting held on 8 November 2011, the Audit and Control Committee concluded that its operation was satisfactory and that it correctly performed the duties commissioned to it in the applicable laws and internal regulations.

6.8 Amendment of the Regulations of the Board of Directors

Article 2.2 of the Regulations of the Board of Directors establishes that the Audit and Control Committee shall prior inform the proposals for amendment these Regulations when the amendments proposed affect its composition, duties and powers.

The Board of Directors, at its meeting held on February 23, 2011, approved the amendment of its Regulations for the purpose, among others, to regulate the article 30, about the Audit and Control Committee, in the same manner than the current 18th Additional Provision of the Securities Market Act, which regulates the Audit Committee of the entities which issue marketable securities in Spanish official markets, as amended by Act 12/2010, of 30th July. This proposal was prior favourably informed by the Audit and Control Committee at its meeting held on February 22, 2011.

6.9 Amendment of the Repsol YPF Group Internal Conduct Regulations regarding the Securities Market.

In the year 2011, and due to changes in Company's organizational structure, article 2.2 ("Affected Persons") of the Repsol YPF Group Internal Conduct Regulations, about the people of the Company that due to their positions or duties it is presumed that can access periodically to price-sensitive information, was twice amended.

The Audit and Control Committee, in the development of its duties to ensure that the codes of conduct and market conduct applicable to the group's employees comply with legal requisites and are adequate for the company, was informed about these two amendments of the article 2.2.

6.10 Disclosure Committee ("Comité Interno de Transparencia") of Repsol YPF, S.A.

The Audit and Control Committee has been informed regularly throughout the year on the activities of the Disclosure Committee, receiving and considering the information remitted to it by that Committee.

6.11 "Communications to the Audit Committee" Application

In accordance with current regulations in the United States for all the companies that are listed on the Stock Exchanges in that country, applicable to the Company until the effectiveness of its deregistration with the U.S. Securities and Exchange Commission (SEC) in June 2011, and as a Corporate Best Governance measure, in the 2005 fiscal year the Audit and Control Committee set up a procedure for persons so wanting to be able to inform it of any incident or irregularity regarding matters related to accounting, internal accounting controls and auditing that affect the Repsol YPF Group.

This application can be accessed by both employees of the Repsol YPF Group, through the intranet, and other interested parties, through the Company website (www.repsol.com). In both cases, the complete confidentiality and anonymity of the persons sending the information is guaranteed.

The Audit and Control Committee has supervised the measures adopted with regard to the communications received over this system.

6.12

Criteria of independence of the New York Stock Exchange (NYSE) for foreign private issuers

The US legislation require companies listed on the New York Stock Exchange – through ADSs, or American Depositary Shares – to comply with certain sections of “Section 303A of the NYSE’s Listed Company Manual”. In accordance with this, all the members of the Audit and Control Committee must comply with the requirements of independence set out by Rule 10A-3 of the U.S. Securities and Exchange Commission.

Notwithstanding the Company is no longer subject to the above obligations, as a result of its deregistration with the U.S. Securities and Exchange Commission (SEC) in June 2011, the Audit and Control Committee of Repsol YPF, S.A. has complied with the above regulations since their came into force.

Appendix

Calendar of meetings held in the 2011 fiscal year

Meeting nº 122

25 January 2011

Agenda

- Report of the Audit and Control Department: (i) assessment of compliance with 2010 planning scheme of the Audit and Control Department; (ii) summary of reports issued by the Audit and Control department (iii) monitoring of recommendations included in audit reports.
- Information on the selection of external auditor.
- Approval of the retention of services with the External Auditors.
- Communications received on accounting, internal accounting controls and auditing matters.
- Information on SEC’s Form 20-F 2009 comment letter.
- Proposed of 2011 Audit and Control Committee’s annual calendar for meetings and action plan.

Meeting nº 123

22 February 2011

Agenda

- Information on the selection of external auditor. Proposed appointment of the Account Auditors for Repsol YPF, S.A. and its Consolidated Group.
- Annual Financial Report 2010: (i) External Auditor’s Report; (ii) Report of the Commission on the independence of the external auditor; (iii) Annual Financial Statements and Management Report for the fiscal year ended 31 December 2010.
- Annual Corporate Governance Report 2010.
- Report on the amendments of the Regulations of the Board of Directors.
- Information on the Company’s fiscal policies (Good Tax Practices Code).
- Information on oil and gas reserves.
- Report of the Audit and Control Department (i) internal control system on financial information; (ii) proposal of annual planning scheme 2011 of the Audit and Control Department.
- Activity Report 2010 of the Audit and Control Committee.
- Approval of the retention of services with the External Auditors.
- Communications received on accounting, internal accounting controls and auditing matters.
- Information on SEC’s Form 20-F 2009 comment letter.
- Report of Repsol International Finance B.V.’s external auditor.
- Information on the meetings held by the Disclosure Committee of Repsol YPF, S.A.

Meeting nº 124

29 March 2011

Agenda

- Report of YPF’s Chairman of the Audit and Control Committee.
- Information on environmental and security matters.
- Summary of reports issues by the Audit and Control Department.
- Approval of the retention of services with the External Auditors.
- Communications received on accounting, internal accounting controls and auditing matters.
- Information on SEC’s Form 20-F 2009 comment letter.
- Information on the amendment of Audit and Control Committee’ annual calendar for meetings.
- Information on the amendment of the Repsol YPF Group Internal Conduct Regulations regarding the Securities Market.

Meeting n° 125	11 May 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Review of the preliminary results for the first quarter of 2011. • Information on oil and gas reserves. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters. • Information on the meetings held by the Disclosure Committee of Repsol YPF, S.A.
Meeting n° 126	28 June 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Information on environmental and security matters. • Summary of reports issues by the Audit and Control Department. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters. • Information on the CNMV's Annual Statements 2010 comments letter.
Meeting n° 127	26 July 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Review of the six-monthly 2011 statements. External Auditor's Report. • Information on the annual financial statements to be submitted to the <i>Comisión Nacional de Valores</i> of Argentina and the <i>Bolsa de Comercio in Buenos Aires</i>. • Proposed fees of the External Auditor for 2011. • Report of the Audit and Control Department: (i) monitoring of recommendations contained in audit reports; (ii) System for the prevention of crimes; (iii) Summary of reports issues by the Audit and Control Department. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters. • Information on oil and gas reserves. • Information on the meetings held by the Disclosure Committee of Repsol YPF, S.A.
Meeting n° 128	16 September 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Monitoring by the Audit and Control Committee of the obligations under the Repsol YPF Group Internal Conduct Regulations regarding the securities market.
Meeting n° 129	21 October 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Report on control risk in the Executive Managing Direction of Upstream. • Information on oil and gas reserves. • Obligations related with the securities market. • Assessment of the operation of the Audit and Control Committee • Review of Rules for the prior approval of External Auditor's services. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters.

Meeting n° 130	8 November 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • Review of the preliminary results for the third quarter of 2011. • Information on environmental and security matters. • Information on oil and gas reserves. • Report of the Audit and Control Department: (i) summary of reports issued by the Audit and Control department and the YPF's Internal Audit department; (ii) monitoring of recommendations contained in audit reports. • Assessment of the operation of the Audit Control Committee. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters. Information on the meetings held by the Disclosure Committee of Repsol YPF, S.A.
Meeting n° 131	12 December 2011
	<p>Agenda</p> <ul style="list-style-type: none"> • External Auditor's report. • Report of YPF's Chairman of the Audit Committee. • Report of the Audit and Control department. Summary of the meetings held by the YPF's Audit Committee. • Proposed of 2012 Audit and Control Committee's annual calendar for meetings and action plan. • Approval of the retention of services with the External Auditors. • Communications received on accounting, internal accounting controls and auditing matters. • Information on the amendment of the Repsol YPF Group Internal Conduct Regulations regarding the Securities Market.

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