

REPSOL S.A.

**2019** Annual Corporate  
Governance Report

*Translation of a report originally  
issued in Spanish.  
In the event of a discrepancy,  
the Spanish language version  
prevails*



## **DETAILS OF ISSUER**

**Dated end of year** 31/12/2019

**TAX REGISTRATION NUMBER:** A-78375725

**Name:** Repsol, S.A.

**Registered office:** C/ Méndez Álvaro, 44, Madrid

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# A. Executive summary

## 1. Presentation by the Chairman of the Board of Directors

The aim of our good governance practices is to ensure that both the Company's management model and the decisions of the Board of Directors and its Committees are focused on preserving the long-term interest of our stakeholders and guaranteeing the group's sustainability. Our corporate governance system is in a constant review and improvement process, incorporating the main recommendations of the international markets and the latest trends in this area.

Our Board is composed of Directors with broad professional experience and diversity in terms of training, origin, gender and age. Following the latest appointments, the percentage of women has risen to 33%, 13% higher than in 2018. Among the main developments of 2019, it should be highlighted that the agreement at the General Shareholders Meeting on 31 May to reduce the number of Directors to 15 in line with the recommendation established in the Good Governance Code for listed companies.

Throughout 2019, the Board and the Committees have continued working on the oversight of the most significant matters for the Company and on making decisions on relevant matters, such as the monitoring of the Strategic Plan, sustainability action plans or aligning the Company with the objectives of the Paris Agreement to have zero net emissions in 2050.

In this year, we will continue to work on the constant improvement of our Good Governance system, supported by the continued dialogue and the engagement with our interest groups under our principles of efficiency, respect, anticipation and value creation, involving them in the future of Repsol.

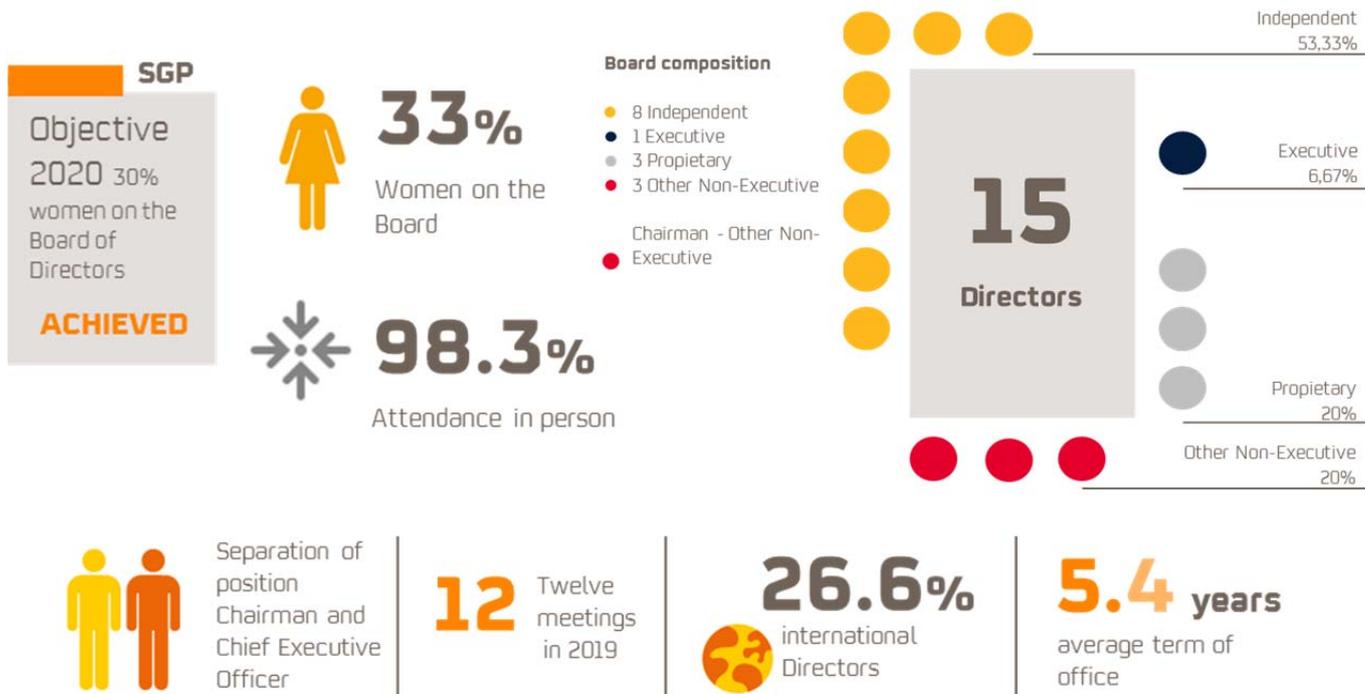
**Antonio Brufau**

**Chairman of the Board of Directors**



## 2. At a glance

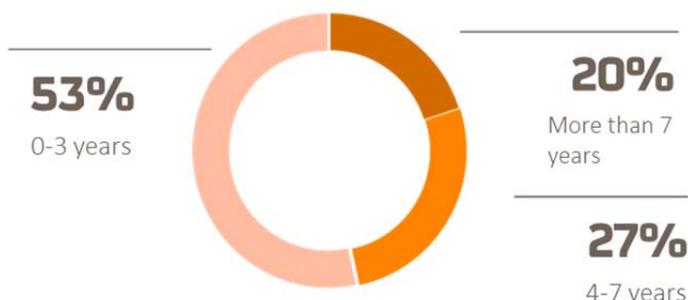
### Board of Directors



### Board of Directors' skills



### Years of Service of Directors



### Compliance with the recommendations of the Good Governance Code



## Separated roles and responsibilities



### Chairman of the Board of Directors

The Chairman has overall responsibility for the effective functioning of the Board of Directors.



### Chief Executive Officer (CEO)

The CEO is the chief executive and responsible for the management of the business and the Company and as such has all the functions of the Board of Directors delegated to him, except those that cannot be delegated pursuant to law or the Articles of Association.



### Lead Independent Director

The Lead Independent Director is responsible for coordinating, gathering and echoing the opinions of the External Directors. He heads the Board in the absence of the Chairman and Vice-Chairman and may ask the Chairman to call a meeting of the Board. He is also in charge of liaising with investors and shareholders to ascertain their views, particularly in relation to the corporate governance of the Company.

## Renewal of Independent Directors



### Ms. Arantza Estefanía Larrañaga

Appointed on 2019.  
Independent



### Ms. Teresa García-Milá Lloveras

Appointed on 2019.  
Independent.



### Ms. Carmina Ganyet i Cirera

Nombrada en 2018.  
Independent



### Mr. Ignacio Martín San Vicente

Appointed on 2018.  
Independent



### Ms. Maite Ballester Fornés

Appointed on 2017.  
Independent



### Mr. Mariano Marzo Carpio

Appointed on 2017.  
Independent



### Ms. Isabel Torremocha Ferrezuelo

Appointed on 2017.  
Independent

## Board Committees

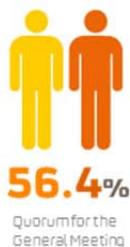
<b>Delegate Committee</b>		<b>Chairman:</b> External Director		 <b>8</b> Meetings in 2019
<b>8</b> Members	<b>12.5%</b> Executives	<b>25%</b> Proprietary	<b>37.5%</b> Independents	<b>25%</b> Other external
				<b>98%</b> Personal attendance
<b>Audit and Control Committee</b>		<b>Chairwoman:</b> Independent Director		 <b>10</b> Meetings in 2019
<b>4</b> Members	<b>100%</b> Independents			<b>97.7%</b> Personal attendance
<b>Nomination Committee</b>		<b>Chairwoman:</b> Independent Director		 <b>7</b> Meetings in 2019
<b>4</b> Members	<b>100%</b> Independents			<b>100%</b> Personal attendance
<b>Compensation Committee</b>		<b>Chairwoman:</b> Independent Director		 <b>5</b> Meetings in 2019
<b>4</b> Members	<b>25%</b> Proprietary	<b>75%</b> Independents		<b>100%</b> Personal attendance
<b>Sustainability Committee</b>		<b>Chairman:</b> Independent Director		 <b>4</b> Meetings in 2019
<b>4</b> Members	<b>25%</b> Proprietary	<b>75%</b> Independents		<b>92.9%</b> Personal attendance

## Our Corporate Governance



### Effective commitment to our shareholders:

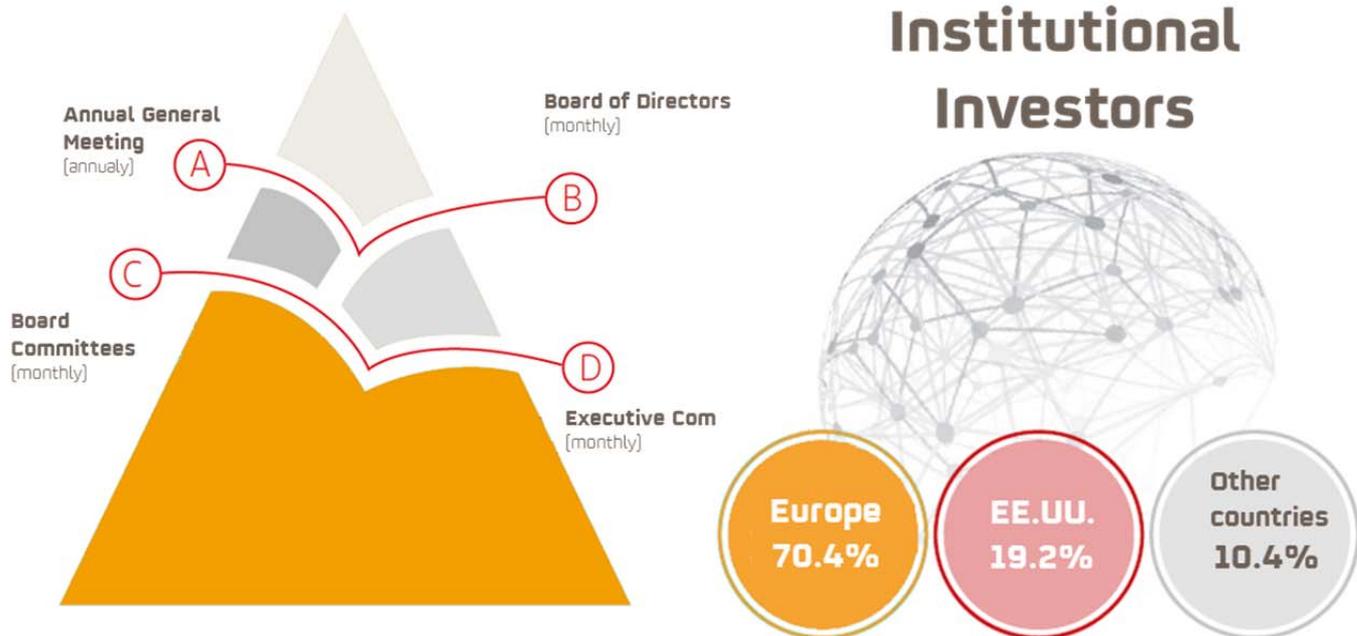
- In-person General Shareholders Meetings.
- High engagement.
- Commitment to the quality of the information.
- Transparent remuneration with performance metrics aligned with the interests of the shareholders and sustainability.



### Effective board of directors:

- Majority of independent directors.
- Balanced, qualified and diverse composition.
- Separate and complementary roles of Chairman, CEO and Lead Independent Director.
- Good practices of the Good Governance Code for the listed companies integrated in our internal regulations.

## Shareholders have a relevant role in the decision-making process

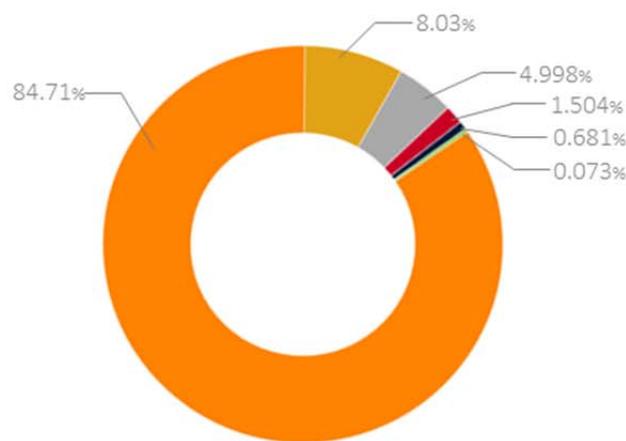
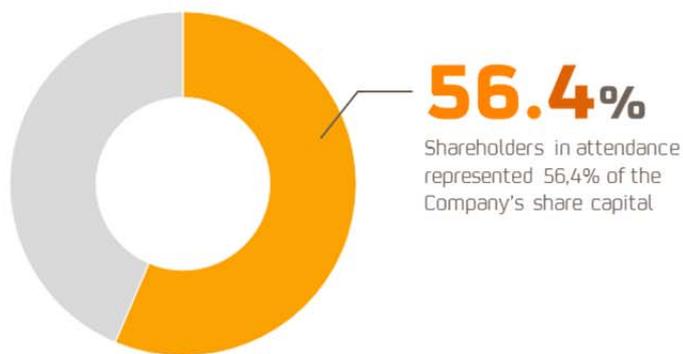


## General Shareholders Meeting

**May 5, 2019**

## Shareholder composition

Percentage of voting rights



All proposals submitted were **approved**

**20**

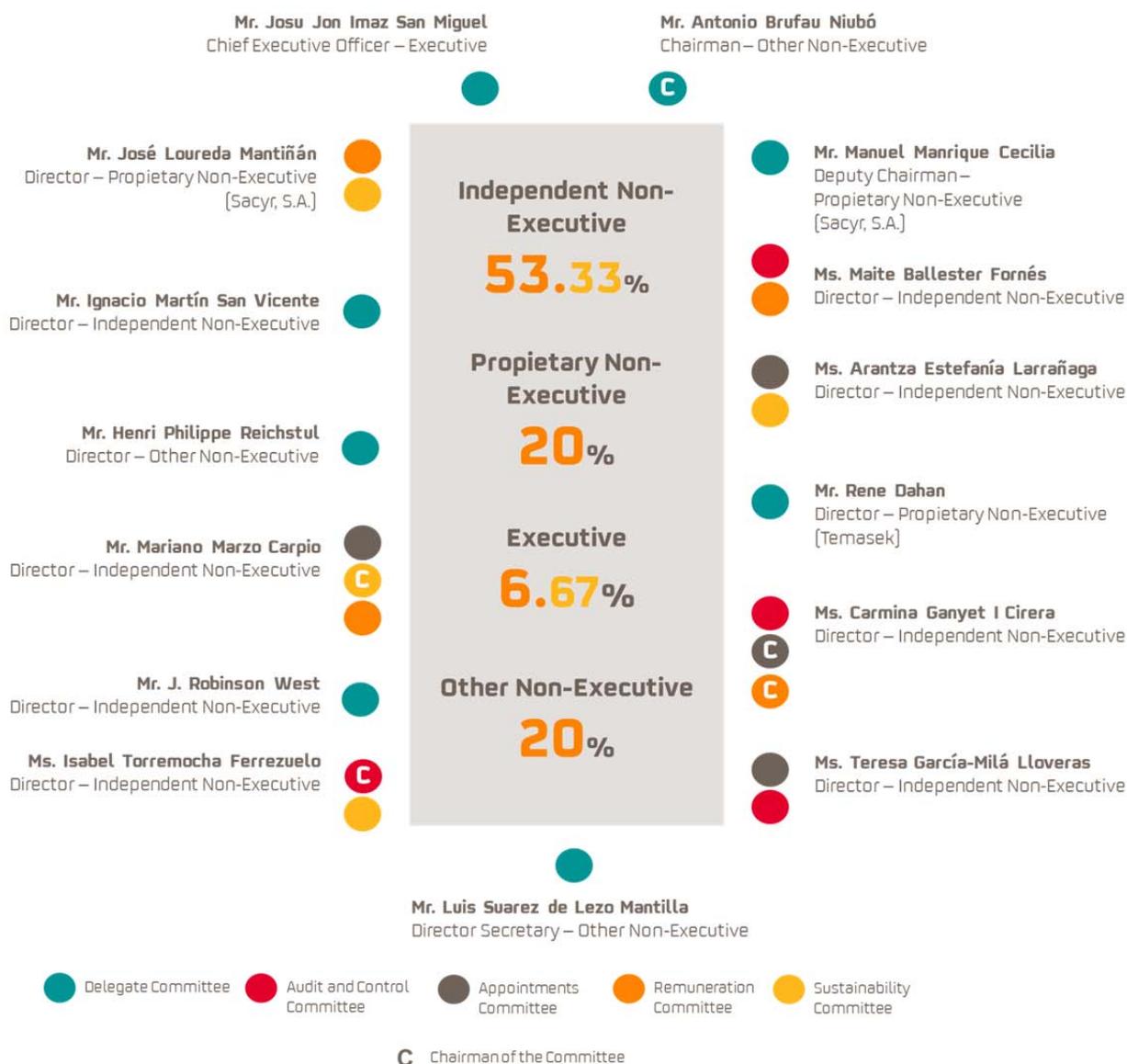
The proposals were approved with an average of **97.618%** votes in favor of the share capital in attendance

**97.618%**

### 3. The Board of Directors

The Company’s corporate governance system, established in accordance with the best national and international reference standards, guides the functioning of the Board of Directors based on the principles of efficiency, respect, anticipation and value creation.

Repsol's Board of Directors has the size and structure necessary to promote efficient functioning and maximize participation, in accordance with the Company's share capital structure as well as the geographical distribution and complexity of their business. Its composition was determined based on criteria of complementarity, balance, and diversity of knowledge, professional experience, nationality and gender<sup>1</sup>.



All shareholders with significant shareholder and with the right to proportional representation are represented on Repsol's Board of Directors.

<sup>1</sup> Further information on the composition of the Board of Directors may be consulted in section “B. REGULATORY INFORMATION – 3. Repsol's governance body” of this Report.

<sup>2</sup> With effect from 31 December 2019, when Mr. Luis Suárez de Lezo Mantilla concluded his executive functions as General Secretary of the Company, he has been reclassified as “External Director” by the Board.

## A. Executive summary

### 3. The Board of Directors



#### Executive Directors

Name of director	Position in company's organization
------------------	------------------------------------

Mr. Josu Jon Imaz San Miguel	Chief Executive Officer
------------------------------	-------------------------

#### Proprietary Directors

Name of director	Name of significant shareholder represented or that proposed appointment
------------------	--

Mr. Manuel Manrique Cecilia	Sacyr, S.A.
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Mr. José Manuel Loureda Mantiñán	Sacyr, S.A.
----------------------------------	-------------

Mr. Rene Dahan	Temasek Holdings (Private) Limited
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#### Independent Directors

Name of director
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Ms. Maite Ballester Fornés
----------------------------

Ms. Arantza Estefanía Larrañaga
---------------------------------

Ms. Carmina Ganyet i Cirera
-----------------------------

Ms. Teresa García-Milá Lloveras
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Mr. Ignacio Martín San Vicente
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Mr. Mariano Marzo Carpio
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Ms. Isabel Torremocha Ferrezuelo
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Mr. J. Robinson West
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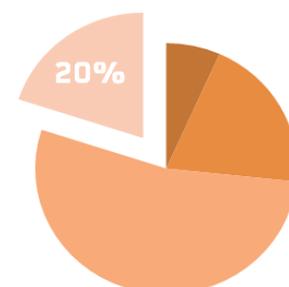
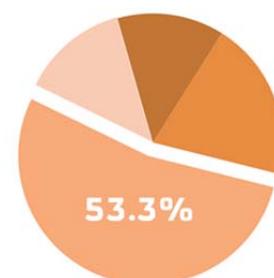
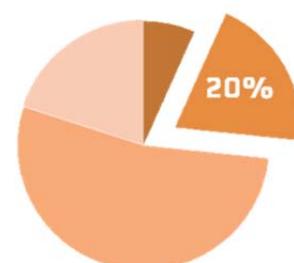
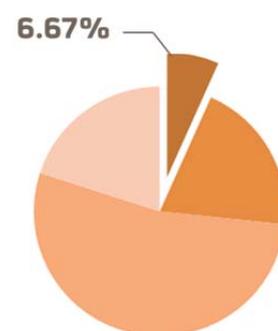
#### Other Non-Executive Directors

Name of director and reasons	Company, executive or shareholder with which the director is related
------------------------------	--

Mr. Antonio Brufau Niubó <sup>3</sup>	Repsol, S.A.
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Mr. Henri Philippe Reichstul <sup>4</sup>	Repsol, S.A.
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Mr. Luis Suárez de Lezo Mantilla <sup>5</sup>	Repsol, S.A.
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As established in the Company Bylaws, the Board must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The General Shareholders's Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15).

<sup>3</sup> Mr. Brufau was the Chairman and CEO of Repsol until April 30, 2015 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

<sup>4</sup> Mr. Reichstul was an Independent Director from December 2005 to May 2017 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

<sup>5</sup> Mr. Suárez de Lezo was Executive Managing Director of Repsol until December 31, 2019 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

## Key issues

### Changes to the composition of the Board

- Appointments of Ms. Arantza Estefanía Larrañaga and Ms. Teresa García-Milá Lloveras at the General Meeting of May 31, 2019.
- Expiry of the term of office of Mr. Luis Carlos Croissier Batista and of Mr. Ángel Durández Adeva.

### Structure

- Wide majority of **Non-Executive Directors 93.33%**
- More than half of **Independent Directors 53.33%**
- The term of office of the Director is for **4 years**.
- Independence of the Committees.

### Diversity

- Presence of women of the Board of **33%**
- Repsol's commitment to increase the percentage of women of the Board of Directors to 30% by 2020 **ACHIEVED**.
- **International representation** of the Board of **26.6%**: Rene Dahan (Dutch), Robinson West (American) y Maite Ballester (Spanish and American passport) and Henri Philippe Reichstul (Brazilian). Additionally, other Directors have a broad international experience.

### Separation of the role of chairman and CEO

- Since April 2014, the positions of Chairman of the Board of Directors have been **separated**. **Josu Jon Imaz** is the **Chief Executive Officer** and discharges executives functions and **Antonio Brufau** holds the position of **Chairman of the Board of Directors**.
- The separation of functions ensures the balance of powers, promoting the independence and objectivity of the Board in its supervisory tasks.

## 4. Interaction with investors

Repsol is committed to following best practices, and voluntarily incorporates recommendations from shareholders, investors, proxy advisors and other stakeholders, such as financial analysts, regulatory and supervisory bodies, or credit rating agencies, among others.

The Company therefore continuously assesses the expectations of these stakeholders, engages in ongoing dialogue with them and regularly reports in a transparent manner on its financial, governance, environmental and social performance. The Chief Executive Officer, Josu Jon Imaz, manages and leads specific roadshows on the Company's environmental, social and corporate governance (ESG)<sup>6</sup> matters, responding to requests for information from stakeholders.

The Board of Directors is informed on a regular basis of the perceptions and expectations of shareholders, investors, proxy advisors and other stakeholders.

In 2019 Repsol held the 6th Sustainability Day with ESG investors, for the purpose of making them aware of its strategy and performance regarding sustainability, as well as the actions being taken by the Company to respond to the energy transition challenge.

### Activity with institutional investors and shareholders in 2019



### Interaction with shareholders that hold



<sup>6</sup> Environmental, Social and Governance. These investors apply sustainability criteria when making decisions.

## Activity with ESG investors and shareholders in 2019



**97** investor contacted<sup>7</sup>



**4** specialized Conferences



**12** roadshows



**7** cities visited

## Interaction with shareholders that hold

**≈+220M** shares of the Company's total shares

**≈92%** of ESG shareholders

## Presence on ESG indexes

### Corporate Human Rights Benchmark (CHRB)

With a score of 70.1/100 in 2019, Repsol is a global leader of oil and gas in Human Rights performance, in accordance with the assessment conducted by CHRB.

### Standard & Poors ESG rating

In 2019, Repsol participated in the new ESG rating developed by Standard & Poor's. With a score of 68/100, S&P places Repsol among the companies in its sector with a more advanced sustainability strategy and it welcomes the diversification of its business and its firm commitment to the Paris Agreement.

### Transition Pathway Initiative (TPI)

In 2019, this initiative, supported by 60 of the largest international investors, recognised Repsol as one of the only two companies in its sector to have managed to align themselves with the Paris Agreement before 2050.

### CDP Cambio Climático

It recognises the companies with best management of energy and carbon. Repsol has featured as one of the best companies in its sector since 2006. In 2019, Repsol reached the leadership band in the fight against climate change, with a score of A-. Positioning itself within this band implies an "absolute integration" (under CDP's criteria) of the risks and opportunities related to climate change in the management of the company, as well as the formulation and implementation of strategies to mitigate or capitalise these risks and opportunities.

### ISS-ESG Corporate Rating

Repsol has a "Prime" rating in the ISS ESG Corporate Rating. This analyses the sustainability performance from a best-in-class viewpoint, awarding the "Prime" rating to the leading companies in its sector that comply with the assessed sustainability performance requirements.

<sup>7</sup> 25 investors have been visited for the first time in 2019.

## Repsol Shareholders Community

More than **85,000**  
shareholders registered



≈ **28,000** queries resolved by telephone calls

**8** roadshows of results in various Spanish cities

In order to strengthen the Company's direct and two-way relationship with individual shareholders, Repsol established the “Repsol en Acción Community” channel, where the Company's shareholders may sign up voluntarily.

### Repsol Shareholders Advisory Committee

The Company has had the Repsol Shareholders Advisory Committee since 2014, which was created with the aim of improving the dialogue between the company and its shareholders and is part of the Repsol Group's corporate governance policy, as an initiative to promote and establish channels for a regular exchange of information with groups of shareholders. The Committee is composed of twelve (12) minority shareholders, the ED CFO, who chairs it, and the ED Investor Relations Director as the Vice-chairman.

The shareholders members of the Committee have submitted various proposals to improve the relationship and communication with this group, which have been analyzed in full and applied when deemed appropriate.

### Information provided to the market

The Repsol Group has a Investor Relations Division whose responsibilities include ensuring that the information supplied by the Company to the market (financial analysts and institutional investors, among others) is transmitted in an equitable and symmetrical manner and on a timely basis and, in accordance with the Repsol Group's Internal Code of Conduct in relation to the Securities Market, that such information is accurate, clear, complete and, when required by the nature of the information, quantified, without being misleading or confusing.

The Repsol Group has also approved and published a [communication and contact Policy for shareholders, institutional investors and proxy advisors](#) that defines and establishes the principles and guidelines for contacting and communicating with these groups.

# B. The Repsol Corporate Governance System

## 1. Regulatory Framework

The external regulatory framework of reference and the Company's internal regulations regarding corporate governance are described below.

### 1.1. EXTERNAL REGULATORY FRAMEWORK

**Revised Text of the Spanish Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of July 2 (the "Corporate Enterprises Act")**

It constitutes the main regulation that governs in general the functioning of corporate enterprises under Spanish law.

With regard to companies whose shares are admitted to listing on an official secondary market, particular mention should be given to Title XIV of this law, which governs the special characteristics applicable to these types of companies under the ordinary regime. Among others, according to the provisions of article 540 of the Corporate Enterprises Act, includes the obligation to report to the Spanish National Securities Market Commission (the "CNMV") and publish a corporate governance report on an annual basis (the "Annual Corporate Governance Report") as a Material Event.

**CNMV Circular 5/2013, of June 12 ("Circular 5/2013"), amended by CNMV Circular 2/2018, of June 12 ("Circular 2/2018")**

This Annual Corporate Governance Report, corresponding to 2019, is prepared pursuant to section 540 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), following the instructions established in Circular 2/2018 of the Spanish National Securities Market Commission.

In accordance with the option offered by Circular 2/2018, Repsol has decided to select the free format model, including the minimum content required by the regulations and the statistical appendix included in Circular 2/2018. This Report therefore responds to Repsol's desire to remain at the forefront in the transparency of its corporate governance system as well as to facilitate the shareholders' understanding of that information.

This Annual Corporate Governance Report has been approved by unanimous vote by the Board of Directors at its meeting on 19 February 2020

**Good Governance Code for Listed Companies, approved by resolution of the Board of the CNMV on February 18, 2015 (the "GGC")**

This is the reference framework in Spain on best practices regarding corporate governance. It is voluntary and follows the "comply or explain" principle.

With regard to the structure of the GGC, it should be noted that 25 of general principles (25) have been identified, which are those that inspire and underpin the (64) recommendations on each specific matter.

Degree of compliance with good governance recommendations

Appendix I of this annual corporate governance report contains detailed information on compliance with the recommendations of the GGC, as well as any relevant explanations, where applicable.

### Degree of compliance with good governance recommendations



### 1.2. INTERNAL REGULATORY FRAMEWORK

The complete and updated texts of the Company's internal regulations that are described below, as well as other corporate governance information and on general meetings, are available for consultation on the Company's corporate website(www.repsol.com), under the 'Shareholders and Investors - [Corporate Governance](#)' section.

These regulations are reviewed on a regular basis in order to incorporate best corporate governance practices and maintain the highest degree of transparency of information in relation to the Company's shareholders and other stakeholders.

This not only evidences compliance on the part of Repsol with applicable regulations, but also its intent to go beyond the inclusion of and adherence to recommendations, best practices and trends in corporate governance, both at a national and international level.

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#### Company Bylaws

- Basic regulations, approved at the General Shareholders Meeting, that govern the internal functioning of the Company and, among other matters, the rights and obligations of the shareholders and the structure, functioning and composition of the General Shareholders Meeting, the Board of Directors and its various Committees.
- The Bylaws were amended on three occasions in 2019 (January 9, July 10 and November 14, 2019), with these amendments affecting Articles 5 and 6.

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#### Regulations of the General Meeting

- Regulations, approved at the General Shareholders Meeting, the purpose of which is to govern the Repsol General Shareholders Meeting, establishing for such purpose the principles of its organization and operation and the rules governing its legal and bylaw-stipulated activities and supplementing the applicable rules established in current commercial legislation and in the Company Bylaws.
- Approved on April 4, 2003 and last amended on April 30, 2015.

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#### Board Regulations

- Regulations, approved by the Board of Directors, the purpose of which is to govern its structure, competencies and functioning, as well as that of its Committees<sup>(1)</sup>.
- Approved on December 19, 2007 and last amended in July 2016.

<sup>(1)</sup> The specific regulation of the Board Committees is in Articles 33, 34, 35, 36 and 37 of the Board of Directors

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#### Internal Code of Conduct in the Securities Market

- Regulations, approved by the Board of Directors, the purpose of which is to govern the rules of conduct that must be observed by the persons included in its scope of application in its actions related to securities markets.
- Approved on July 11, 2003 and last amended on February 4, 2020.

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#### Ethics and Conduct Code

- Regulations, approved by the Board of Directors, the purpose of which is to establish the reference framework to understand and put into practice the behaviors and expectations that Repsol has in the persons that form part of the Company in their daily work.
- Approved on July 27, 2016.

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#### Corporate policies

- In addition to the internal regulations already mentioned, the Board of Directors has approved the following policies:
  - Policy of communication and contact with shareholders, institutional investors and proxy advisors.
  - Sustainability policy.
  - Anti-corruption policy.
  - Tax Policy
  - Risk Management Policy
  - Directors selection Policy

## 2. Ownership structure of the Company

### 2.1. OWNERSHIP STRUCTURE

#### Share capital structure

**SHARE CAPITAL AT DECEMBER 31, 2019** **€1,527,396,053**

In 2019 share capital was altered on three occasions:

<b>January 11, 2019</b>	Closing of the paid-up capital increased approved as item 5 of the agenda for the General Shareholders Meeting held on May 11, 2018.
<b>July 8, 2019</b>	Closing of the paid-up capital increase approved as item 5 of the agenda for the General Shareholders Meeting held on May 31, 2019.
<b>November 7, 2019</b>	Execution of the reduction of capital reduction through cancelation of own shares approved as item 7 of the agenda for the General Shareholders Meeting held on May 31, 2019.

Likewise, on January 9, 2020, the second Repsol's paid-up capital increase approved as item 6 of the agenda of the General Shareholders Meeting held on May 31, 2019 were declared completed, bringing the Company's share capital to €1,566,043,878, divided into 1,566,043,878 shares and 1,566,043,878 voting rights.

#### At December 31, 2019

**1,527,396,053**

**Shares**

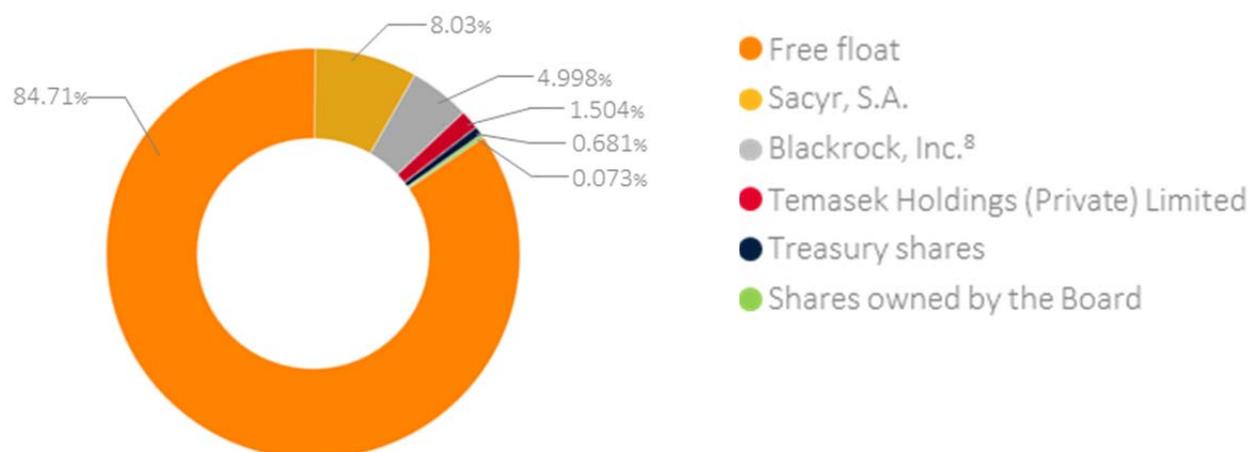
**[par value of shares €1]**

- They are listed on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia)
- Of the same class and series. There are no shares that are not represented in the share capital.
- Same voting and dividend rights
- They are represented by book entries
- Fully subscribed and paid
- One share, one vote

Repsol has American Depositary Shares ("ADS") that are listed on the United States OTCQX market, and shares of the Peruvian company Refinería La Pampilla, S.A., belonging to the Company's consolidated group, which are listed on the Lima Stock Exchange in Peru.

## Share capital

At December 31, 2019, the share capital, with the free float representing 84.71% of share capital, was distributed as follows:



There is no individual or legal entity that exercises or may exercise control over the Company, understanding as control what is established in article 42 of the Commercial Code, for the purposes of Article 5 of the revised text of the Securities Market Law, approved by Legislative Royal Decree 4/2015, of October 23 (the "Securities Market Law").

## Significant interests

At December 31, 2019, the direct and indirect holders of significant interests in Repsol, excluding the Directors, are as follows:

	% of voting rights attributed to shares		% of voting rights through financial instruments		% of total
	Direct	Indirect	Direct	Indirect	
SACYR, S.A.	--	8.034	--	--	8.034
BLACKROCK Inc. <sup>(1)</sup>	--	4.762	--	0.236	4.998
TEMASEK HOLDINGS (PRIVATE) LIMITED	--	1.504	--	--	1.504

In February 2020, Norges Bank informed the CNMV that it had exceeded 3% of the voting rights of Repsol, S.A.

<sup>8</sup> In order to calculate the shareholder composition, in the case of Blackrock, Inc. the percentage of voting rights attributed to the shares and the percentage of voting rights through financial instruments were taken into account.

## Breakdown of direct holders with indirect interests

Indirect holder	Direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total
SACYR, S.A.	SACYR INVESTMENTS, S.A.	1.964	--	
	SACYR INVESTMENTS II, S.A.	4.760	--	8.034
	SACYR SECURITIES, S.A.	1.309	--	
BLACKROCK, INC.	ENTITIES CONTROLLED BY BLACKROCK	4.762	0.236	4.998
TEMASEK HOLDINGS (PRIVATE) LIMITED	CHEMBRA INVESTMENT PTE, LTD.	1.504	--	1.504

(1) The information relating to BlackRock, Inc. is based on the statement filed by this entity with the CNMV on December 10, 2019

The details set out in this section, as of December 31, 2019, from the information supplied by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (IBERCLEAR), and from the information sent by shareholders to the Company and to the Spanish National Securities Market Commission (CNMV).

## Principal changes to the shareholder structure in 2019

Name of significant shareholder	Date of transaction	Description of the transaction
CAIXABANK,S.A.	February 28, 2019	Interest has fallen below 3% of share capital
AMUNDI ASSET MANAGEMENT S.A.	December 13, 2019	Interest has risen above 3% of share capital
AMUNDI ASSET MANAGEMENT S.A.	December 16, 2019	Interest has fallen below 3% of share capital
BLACKROCK, INC.	July 8, 2019	Interest has risen above 5% of share capital
BLACKROCK, INC.	July 10, 2019	Interest has fallen below 5% of share capital
BLACKROCK, INC.	September 27, 2019	Interest has risen above 5% of share capital
BLACKROCK, INC.	October 30, 2019	Interest has fallen below 5% of share capital
BLACKROCK, INC.	November 20, 2019	Interest has risen above 5% of share capital
BLACKROCK, INC.	November 26, 2019	Interest has fallen below 5% of share capital
BLACKROCK, INC.	November 29, 2019	Interest has risen above 5% of share capital
BLACKROCK, INC.	December 9, 2019	Interest has fallen below 5% of share capital

## Company voting rights held by Board members

As of December 31, 2019 the total voting rights held by the Company's Directors amounted to **0.073%**.

## Breakdown of individual positions

	Number of shares		% of voting rights attributed to shares		% of voting rights through financial instruments		Total number of shares	% of total	% of voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect	Direct	Indirect			Direct	Indirect
Antonio Brufau Niubo <sup>9</sup>	550,133	--	0.034	--	--	--	550,133	0.034	--	--
Manuel Manrique Cecilia	149	1,327	0.000	0.000	--	--	1,476	0.000	--	--
Josu Jon Imaz San Miguel	310,504	--	0.020	--	--	--	310,504	0.020	--	--
Maite Ballester Fornés	--	--	--	--	--	--	--	--	--	--
Rene Dahan	64,810	--	0.004	--	--	--	64,810	0.004	--	--
Arantza Estefanía Larrañaga	--	--	--	--	--	--	--	--	--	--
Carmina Ganyet i Cirera	19	--	0.000	--	--	--	19	0.000	--	--
Teresa García-Milá Loveras	2,071	--	0.000	--	--	--	2,701	0.000	--	--
José Manuel Loureda Mantifián	89	96,286	0.000	0.006	--	--	96,375	0.006	--	--
Ignacio Martín San Vicente	7,237	--	0.000	--	--	--	7,237	0.000	--	--
Mariano Marzo Carpio	--	--	0.000	--	--	--	--	0.000	--	--
Henri Philippe Reichstul	50	--	0.000	--	--	--	50	0.000	--	--
Isabel Torremocha Ferrezuelo	10,009	--	0.001	--	--	--	10,009	0.001	--	--
J. Robinson West	--	--	0.000	--	--	--	--	0.000	--	--
Luis Suárez de Lezo Mantilla	74,334	--	0.005	--	--	--	74,334	0.005	--	--

## Breakdown of direct holders with indirect interests (mentioned above)

	Direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total	% of voting rights that may be transferred through financial instruments
José Manuel Loureda Mantifián	PRILOU, S.L.	0.006	--	0.006	--
Manuel Manrique Cecilia	CYMOFAG, S.L.U.	0.000	--	0.000	--

<sup>9</sup> Mr. Brufau is the individual with mayor number of shares of Repsol.

## Representation of significant shareholders on the Board of Directors

The appointment of Directors José Manuel Loureda Mantiñán and Manuel Manrique Cecilia was proposed by the significant shareholder Sacyr, S.A., whom relation is detailed below:

### Relationships of the Directors with the significant shareholder Sacyr, S.A. and/or entities of its group

Name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/position
Jose Manuel Loureda Mantiñán	SACYR, S.A.	SACYR, S.A.	Indirect holder of 8.1% of the share capital of Sacyr, S.A. through Prilou, S.L. and Prilomi, S.L. Representative of Prilou, S.L. on the board of Sacyr, S.A.
		VALORIZA GESTIÓN, S.A.	Chairman
		SACYR CONSTRUCCIÓN, S.A.	Director
Manuel Manrique Cecilia	SACYR, S.A.	SACYR, S.A.	Chairman - Chief Executive Officer
		SACYR, S.A.	Indirect holder of 1.358% of the share capital of Sacyr, S.A. through Cymofag, S.L.U.
		SACYR FLUOR, S.A.	Director
		SACYR INGENIERIA E INFRAESTRUCTURAS, S.A.	Director
		SACYR SERVICIOS, S.A.	Director
		SACYR CONCESIONES, S.L.	Director
		VALORIZA GESTIÓN, S.A.	Director
SACYR PARTICIPACIONES MOBILIARIAS, S.L.	Representative of Sacyr, S.A. as Sole Director of Sacyr Vallehermoso Participaciones Mobiliarias, S.L.		
SACYR FINANCE, S.A.	Representative of Sacyr, S.A. as Sole Director of Sacyr Finance, S.A.		

In accordance with the notice submitted to the CNMV on September 13, 2018, the shareholding of Temasek Holdings (Private) Limited reduces its stake under the 3% of share capital. Therefore, the Board of Directors on October 30, 2018, following a report from the Nomination Committee, agreed that Mr. Dahan should remain as Director based on his experience, knowledge, prestige and contribution.

The Company does not have any record of any family, commercial, contractual or corporate relationships between holders of significant stakes, or any significant relationships of this type or those arising from ordinary trading activities between the holders of significant stakes and the Company.

## Restrictions on voting rights and nomination of members of management bodies

The exercise of voting rights corresponding to shares and its capacity to appoint members of the Board of Directors may be affected by the following regulations applicable to the Company.

Article 34 of Royal Decree-Law 6/2000, of June 23, on urgent measures to intensify competition in goods and services markets ("Royal Decree-Law 6/2000")

It establishes restrictions on the voting right and the ability to directly or indirectly appoint members of the management bodies of companies that have the status of principal operator in the same market or sector, including, among others, markets for the production and distribution of fuels, liquefied gases of oil and natural gas as well as generation of electricity. The main operator is defined as the entities that hold the five largest shares of the market in question.

These limitations are specified in individual or legal entities who, directly or indirectly, participate in the capital or in the voting rights of two or more companies that have the status of principal operator in the same market or sector, or have themselves the condition of principal operator in the same market or sector may not exercise the voting rights in a second company that has the same status of principal operator in the same market or sector, in a share of more than 3% of the total in the capital or in other securities that confer political rights of that other company, nor may they directly or indirectly appoint members of the administrative bodies of said company

These constraints will not be applicable to parent companies that are principal operators in respect of their subsidiaries that are in the same position, provided this structure is imposed by law or the result of a mere redistribution of securities or assets among group companies.

However, the Spanish National Markets and Competition Commission (the "CNMC") may authorize the exercise of the voting rights corresponding to the excess with regard to interests or the appointment of members of the governance bodies, provided this does not favor the exchange of strategic information among operators or imply any risks of coordination of their strategic actions.

Law 3/2013, of June 4, on the creation of the Spanish National Markets and Competition Commission ("Law 3/2013, 4 of June")

It establishes a procedure for controlling certain business transactions in the energy sector, among them the acquisition of interests in companies that carry out oil refining activities, transportation through oil pipelines and storage of petroleum products. All these facilities that are also considered as strategic assets.

In particular, the acquisition of a stake in the share capital that give a significant influence in the management of those companies that, directly or through controlled companies, carry out such activities have to be communicated to the CNMC who will be competent to hear such operations in accordance with the provisions of the ninth additional provision of Law 3/2013, of June 4, until the competent Ministry has the necessary means to exercise said competence. Said operations may be subject to the imposition of conditions relating to the exercise of the activity of the affected companies or to the purchaser, if the latter is not a national of the European Union or the European Economic Area and it is considered that there is a real and sufficiently serious threat that risks arise for the guarantee of supply of hydrocarbons.

Furthermore, and in line with recommendation number 1 of the Good Governance Code for Listed Companies, Repsol's Bylaws do not contain any restrictions as to the maximum number of votes that may be cast by a single shareholder, or impose any other restrictions that may hinder the acquisition of a controlling stake in the market.

Lastly, it should be noted that in 2019 the Company did not resolve to take any measures to neutralize a takeover bid pursuant to Article 135 of the Securities Market Law.

## Shareholders agreements

The Company has not been notified of any shareholders agreements that affect it, and no concerted actions have taken place between its shareholders.

## Significant agreements that may be affected by a change in control of the Company as a result of a takeover bid

The Company usually participates in the exploration and exploitation of hydrocarbons through consortiums or joint ventures with other oil companies, both public and private. The agreements regulating the relations among partners of the joint ventures commonly grant the other members a right of pre-emption, in the case that any of the members in the cases in which one of the members intends to directly or partially transfer their participation. , in some cases, this could also be applied in cases of indirect transmission, that is, when a change of control occurs in a member.

The laws regulating the oil and gas industry in several countries in which the company operates also submit to prior authorization by the competent government of any transfer of all or part of licenses for hydrocarbon exploration and exploitation concessions, and such authorization is sometimes also required for takeovers of the concessionary company or companies, especially the one that operates the mining business.

## Treasury shares

At 2019 year-end, the Company directly held:

<b>10,408,231</b>	<b>0,681%</b>
Treasury shares	% of voting rights

## Significant variations during the year

The purchases of shares made for retirement under the Redemption Programme, initiated on 30 August and ending on 5 November, in which 70,368,868 shares were acquired, should be highlighted.

Moreover, on 7 November, a share capital reduction was executed by means of the retirement of 71,394,987 treasury shares, each with a par value of one euro, approved by Repsol's General Shareholders Meeting held on 31 May 2019, within point seven on the agenda.

With regard to treasury share transactions, the Board of Directors is currently authorized to carry out the derivative acquisition of Repsol shares, either directly or through subsidiaries, by virtue of the authorization approved at the Company's Annual General Meeting held on second call on May 11, 2018, as item 8 of the agenda, the resolution of which is transcribed as follows:

*“One. To authorize the Board of Directors for the derivative acquisition of shares of Repsol, S.A., by sale, purchase, exchange or any other onerous legal business modality, directly or through subsidiaries, up to a maximum number of shares, that added to those already own by Repsol, S.A. and its subsidiaries, not exceeding 10% of the share capital and for a price or equivalent value that may not be lower than the nominal value of the shares nor exceed the quoted price on the stock market.*

*The authorization includes the acquisition of shares that, if any, may be disbursed among the employees and directors of the Company and its Group or used to satisfy the exercise of option rights that such persons may hold.*

*This authorization, which is subject to compliance with all other applicable legal requirements, will be valid for 5 years from the date of this General Shareholders Meeting, rendering null and void, with regard to the part not used, the authorization granted at the Annual General Meeting held on March 28, 2014 as item twenty on the Agenda.*

*Two. To authorize the Board of Directors to in turn delegate (with the power of delegation, where appropriate) to the Delegate Committee and/or the Chief Executive Officer, pursuant to that established in Article 249 bis.l) of the Corporate Enterprises Act, all the powers that may be delegated that are referred to in this resolution, and all without prejudice to the powers of attorney that exist or may be conferred in relation to the content of this resolution.”*

## 2.2. GENERAL SHAREHOLDERS MEETING



The General Shareholders Meeting is the sovereign corporate body through which the shareholders' right to participate in the Company's decision-making process is exercised. The basic principles of its organization and operation are governed in the Company Bylaws and in its Regulations, which contain the rules governing its legal and bylaw-stipulated activities and supplement the applicable rules established in current commercial legislation and the Company Bylaws.

The General Meeting, duly called and convened, will decide by the majorities required in each case by law, the Company Bylaws and the Regulations of the General Meeting on the matters within its competence and, in particular, on the following:

### Powers of the General Meeting

- Approval of the financial statements of Repsol and the consolidated financial statements of its group, the management of the Board of Directors, and the proposed allocation of profit or loss.
- Increase and reduction of share capital, including authorization to the Board of Directors to increase share capital under the terms established in the Corporate Enterprises Act and the removal or limitation of pre-emption rights.
- Approval of the issue of debentures and authorization to the Board of Directors to do so.
- Appointment and removal of directors, and ratification or revocation of appointments by co-optation made by the Board.
- Acquisition, disposal or contribution to another company of the Company's essential operating assets.
- Transfer to subsidiaries of essential activities performed up until that time by the Company, even if the Company retains full control over these activities.
- Approval, when permitted by law, of structural modifications and, in particular, the transformation, merger, spin-off, global assignment of assets and liabilities, and transfer of the registered office abroad.
- Approval of the Directors' remuneration policy.
- Releasing of Directors, on an individual basis, from the obligations deriving from their duty of loyalty in the following cases:
  - a. Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
  - b. Release from the prohibition of obtaining advantages or remuneration from third parties, other than the Company and its Group, associated with the performance of their duties, unless these are merely courtesies.
  - c. Release from the obligation not to compete with the Company, pursuant to Article 44 bis of the Company Bylaws.
- Approval of operations that have the equivalent effect of liquidating the Company.
- Authorization for the acquisition of treasury shares.
- Approval of the final liquidation balance sheet.
- Appointment and, as case may be, removal of auditors.
- Approval of amendments to the Bylaws in accordance with Law and the Company Bylaws.
- Dissolution of the Company.

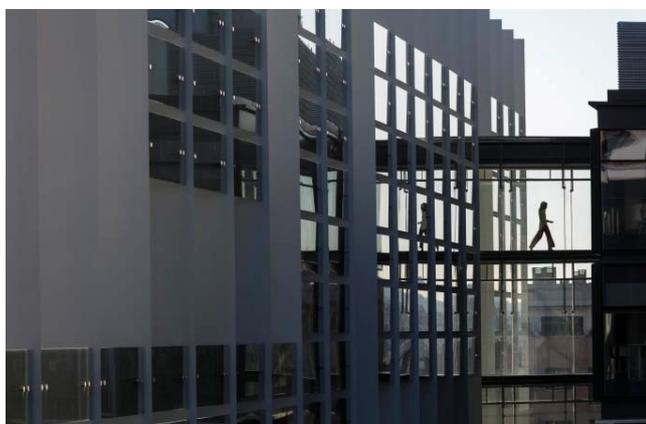
Accordingly, the Company has not made any decisions that must be submitted for approval at the General Shareholders Meeting, other than those established by law, which involved the acquisition, disposal or contribution to another company of essential assets or any other similar corporate transaction.

## Quorums for calling the meeting and voting

The quorum required to validly convene the General Shareholders Meeting is governed by the rules established in the Corporate Enterprises Act.

However, with regard to the majorities necessary for passing resolutions, the Company Bylaws, as authorized by law, establish a larger quorum, both on first and second call, of 75% of the share capital with voting rights attending the General Meeting to validly pass the resolutions indicated below:

- Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
- Releasing of a Director from their obligation of non-competition pursuant to Article 44 bis of the Company Bylaws.
- Amendment to Articles 22 bis and 44 bis of the Company Bylaws on related party transactions and prohibition of competition for Directors.
- Amendment to Article 22.3 of the Company Bylaws, which explains the larger majority for voting.
- Amendment to Article 13.8 of the Regulations of the General Shareholders Meeting, which explains the larger majority for voting.



Amendments to the Company Bylaws are governed by the following articles:

### Article 21 of the Company Bylaws

This article indicates that in order for the General Meeting, whether annual or extraordinary, to be able to validly agree to any amendment to the Bylaws, the following will be necessary:

**First call:** the attendance of shareholders, in person or by proxy, representing at least 50% of the subscribed share capital with voting rights.

**Second call:** the attendance of shareholders representing 25% of the share capital.

### Article 22 of the Company Bylaws

This article indicates that in order to validly pass a resolution to amend the Bylaws, the following majorities are required:

If the share capital in person or by proxy exceeds 50% of the subscribed share capital with voting rights, the favorable vote of the absolute majority will be sufficient, such that the resolution will be deemed to have passed when the votes in favor represent more than half of the votes corresponding to the shares present in person or by proxy at the meeting. When shareholders attending the meeting on second call represent 25% or more of the subscribed share capital with voting rights, but less than 50%, the favorable vote of two thirds of the share capital present in person or by proxy at the meeting will be required.

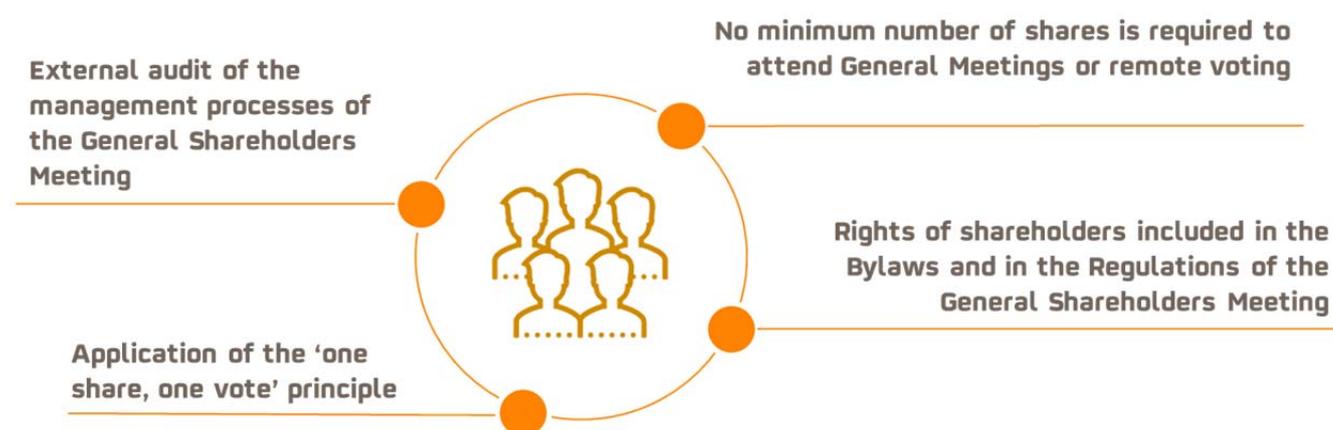
However, and in accordance with that indicated above, a special requirement is established with regard to the regime set forth in the Corporate Enterprises Act for the amendment of Article 22 bis (“Related party transactions”) and Article 44 bis (“Prohibition of competition”) of the Bylaws, and the amendment of the special rule itself (Article 22.3). In order to validly approve these amendments to the Bylaws, they will require, both on first and second call, the favorable vote of 75% of the share capital with voting rights attending the General Meeting.

## Right to attend

Those shareholders that meet the following conditions may attend the General Meeting:

- Their shares are registered in the corresponding accounting record five days before the meeting is held.
- They have the corresponding attendance, proxy and distance voting card.

There are no other restrictions established in the bylaws requiring a minimum number of shares to attend General Meetings.



Attendance, proxy and distance voting cards are issued by the corresponding member of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) in each case or by the Company itself.

These cards may be exchanged on the date of the meeting for other standardized documents for recording attendance, issued by the Company, in order to:

- facilitate the compiling of the attendance list;
- exercise voting rights, and
- exercise other shareholders' rights.

## Voting by remote means of communication prior to the meeting

Shareholders with the right to attend may vote by remote means of communication on the proposals regarding the items on the agenda prior to the date of the meeting, provided the identity of the shareholder exercising their voting rights is duly guaranteed (Article 23 of the Company Bylaws and Article 7 of the Regulations of the General Shareholders Meeting).

## Details of attendance and main resolutions passed at the 2018 General Meeting

At 12:00 p.m. on May 31, 2019, the Repsol Annual General Meeting was held at Palacio Municipal de Congresos, Avenida de la Capital de España-Madrid, sin número, Campo de las Naciones. The General Meeting was held on second call.



### Data on attendance at General Shareholders Meetings

Date of General Meeting	% of attendance in person	% by proxy	% of distance voting		Total
			Electronic vote	Others	
<b>May 19, 2017</b>	8.35%	46.74%	0.02%	1.88%	56.99%
Of which is free float:	0.10%	36.89%	0.02%	1.88%	38.89%
<b>May 11, 2018</b>	8.09%	50.07%	0.02%	0.58%	58.76%
Of which is free float:	0.15%	40.22%	0.02%	0.58%	40.97%
<b>May 31, 2019</b>	8.042%	47.572%	0.032%	0.745%	56.392%
Of which is free float:	0.114%	47.427%	0.32%	0.745%	48.318%

### Right to information

Information and documentation on corporate governance and on the most recent general meetings are available on Repsol's corporate website ([www.repsol.com](http://www.repsol.com)), under the 'Shareholders and Investors - Corporate Governance' section, through the following links:

<https://www.repsol.com/en/shareholders-and-investors/corporate-governance/index.cshtml>

<https://www.repsol.com/en/shareholders-and-investors/corporate-governance/annual-general-meeting/index.cshtml>

At the Annual General Meeting held on May 31, 2019, the Chairman and the Chief Executive Officer notified shareholders, among other matters, of the following: (i) the macroeconomic environment; (ii) the energy

<sup>10</sup> The total attendance is 879,075,048 shares, of which 2,257,282 belongs to the Company's treasury shares, and therefore 876,817,766 shares were represented by those attending the General Shareholders' Meeting.

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



transition; (iii) compliance with strategic obligations; (iv) the results of 2018 and the first quarter of 2019; and (v) the main goals for 2020.

It should also be noted that the Company continued to bring its procedures and internal regulations into line with the recommendations of the Good Governance Code approved by the CNMV. All proposals on the agenda of the 2019 Meeting were approved by an ample majority of shareholders. The voting results for each of the resolutions are indicated below.

#### Results of the vote on the proposed resolutions for the items on the agenda

Resolutions		Number of shares <sup>11</sup>	% of share capital in attendance <sup>12</sup>
First. Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol, S.A. and the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2018.	For	874,101,076	99.434%
	Against	1,877,869	0.214%
	Abstained	838,821	0.095%
Second. Review and approval, if appropriate, of the Statement of Non-Financial Information for fiscal year ended 31 December 2018.	For	875,563,313	99.601%
	Against	404,712	0.046%
	Abstained	849,741	0.097%
Third. Review and approval, if appropriate, of the proposal for the allocation of results in 2018.	For	874,460,386	99.475%
	Against	2,181,179	0.248%
	Abstained	176,201	0.020%
Fourth. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2018.	For	838,561,458	95.460%
	Against	32,120,735	3.657%
	Abstained	5,501,559	0.626%
Fifth. 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 reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market, Delegation of authority to the Board of Directors or, by delegation, to the Delegate Committee or the CEO, 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 Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Automated Quotation System (Sistema de Interconexión Bursátil), as well as on any other stock exchanges or securities markets where the Company's shares are or could be listing.	For	870,462,507	99.020%
	Against	160,408	0.018%
	Abstained	6,194,851	0.705%

<sup>11</sup> Repsol holds treasury shares which, pursuant to Article 148 of the Corporate Enterprises Act, are calculated at the General Meeting for the purpose of establishing the required quorum and pass the resolutions, however, they are not calculated for voting purposes as the exercise of voting and other rights are suspended.

<sup>12</sup> The percentage of share capital in attendance represented by votes in favor, votes against and abstentions, which is published on the Company's corporate website and reproduced herein, is calculated by taking into account the effect of treasury shares.

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



Sixth. 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 reserves, offering the shareholders the possibility of selling the free-of-charge allocation rights to the Company itself or on the market, Delegation of authority to the Board of Directors or, by delegation, to the Delegate Committee or the CEO, 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 Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil), as well as on any other stock exchanges or securities markets where the Company's shares are or could be listing.	For	870,442,081	99.018%
	Against	162,694	0.019%
	Abstained	6,212,991	0.707%
Seventh. Approval of a reduction of share capital for an amount to be determined in accordance with the resolution, through the cancellation of the Company's own shares, Delegation of powers to the Board of Directors or, as its replacement, to the Delegate Committee or the CEO, to set the other terms for the reduction in relation to everything not determined by the General Meeting, including, among other matters, the powers to redraft articles 5 and 6 of the Company's Articles of Association, relating to share capital and shares respectively, and to request the delisting and cancellation of the accounting records of the shares that are being cancelled.	For	874,676,121	99.500%
	Against	1,925,076	0.219%
	Abstained	216,569	0.025%
Eight. Delegation to the Board of Directors of the power to issue fixed rate securities, debt instruments, promissory notes, hybrid instruments and preference shares in any manner permitted by Law, simple or exchangeable for issued shares or other pre-existing securities of other entities, and to guarantee the issue of securities by companies within the Group, leaving without effect, in the portion not used, the twenty-second resolution (first section) of the Annual General Shareholders' Meeting held on April 30, 2015.	For	861,586,923	98.011%
	Against	9,011,625	1.025%
	Abstained	6,219,218	0.707%
Nine. Fix on fifteen the number of members of the Board of Directors.	For	873,749,755	99.394%
	Against	2,749,257	0.313%
	Abstained	318,754	0.036%
Ten. Re-election as Director of Mr. Antonio Brufau Niubó.	For	818,382,058	93.163%
	Against	50,056,379	5.698%
	Abstained	7,745,315	0.882%
Eleven. Re-election as Director of Mr. Josu Jon Imaz San Miguel.	For	860,040,720	97.835%
	Against	11,854,181	1.348%
	Abstained	4,922,865	0.560%
Twelve. Re-election as Director of Mr. Jose Manuel Loureda Mantiñan.	For	813,976,662	92.595%
	Against	56,582,360	6.437%
	Abstained	6,258,744	0.712%
Thirteen. Re-election as Director of Mr. John Robinson West.	For	863,439,231	98.221%
	Against	6,694,077	0.761%
	Abstained	6,684,458	0.760%
Fourteen. Ratification of the appointment by co-optation and re-election as Director of Mr. Henri Philippe Reichstul.	For	847,197,614	96.374%
	Against	22,569,837	2.567%
	Abstained	7,050,315	0.802%

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



Fifteenth. Appointment of Ms. Aránzazu Estefanía Larrañaga as Director.	For	858,324,714	97.640%
	Against	11,845,165	1.347%
	Abstained	6,647,887	0.756%
Sixteenth. Appointment of Ms. María Teresa García-Milà Lloveras as Director.	For	869,484,308	98.909%
	Against	663,223	0.075%
	Abstained	6,670,235	0.759%
Seventeenth. Advisory vote on the Repsol, S.A. Annual Report on Directors' Remuneration for 2018.	For	840,209,935	95.648%
	Against	28,839,777	3.283%
	Abstained	7,134,040	0.812%
Eighteenth. Inclusion of a target related to the performance of total shareholder return in the Long-Term Incentive Remuneration Plan of the Executives Directors (ILP 2018-2021 and ILP 2019-2022).	For	860,788,044	97.920%
	Against	9,558,040	1.087%
	Abstained	6,471,682	0.736%
Nineteenth. Examination and approval, if appropriate, of the Remuneration Policy for Directors of Repsol, S.A. (2019-2021).	For	838,381,036	95.440%
	Against	30,566,034	3.480%
	Abstained	7,236,682	0.824%
Twentieth. Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.	For	876,493,906	99.706%
	Against	123,967	0.014%
	Abstained	199,893	0.023%

## 3. Repsol's governance body

### 3.1. COMPOSITION OF THE BOARD OF DIRECTORS

As established in the Company Bylaws, the Board of Directors must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The Annual General Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15).

The composition of the Board of Directors at December 31, 2019 is shown in the table below:

Director	Profile	Committees	First appointment	Last appointment	Selection procedure	Date of birth
Mr. Antonio Brufau Niubó	Chairman - Other Non-Executive		23/07/1996	31/05/2019	General Shareholders Meeting Resolution	12/03/1948
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer - Executive		30/04/2014	31/05/2019	General Shareholders Meeting Resolution	06/09/1963
Mr. Manuel Manrique Cecilia	Deputy Chairman - Proprietary Non-Executive		25/04/2013	19/05/2017	General Shareholders Meeting Resolution	01/01/1954
Ms. Maite Ballester Fornés	Director - Independent Non-Executive	 	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	13/05/1963
Mr. Rene Dahan	Director - Proprietary Non-Executive		31/05/2013	19/05/2017	General Shareholders Meeting Resolution	26/08/1941
Ms. Arantza Estefanía Larrañaga	Director - Independent Non-Executive	 	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	09/05/1963
Ms. Carmina Ganyet i Cirera	Director - Independent Non-Executive	  	11/05/2018	11/05/2018	General Shareholders Meeting Resolution	08/04/1968
Ms. Teresa García-Milá Lloveras	Director - Independent Non-Executive	 	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	05/07/1955
Mr. José Manuel Loureda Mantiñán	Director - Proprietary Non-Executive	 	31/01/2007	31/05/2019	General Shareholders Meeting Resolution	20/06/1939
Mr. Ignacio Martín San Vicente	Director - Independent Non-Executive		11/05/2018	11/05/2018	General Shareholders Meeting Resolution	04/05/1955
Mr. Mariano Marzo Carpio	Director - Independent Non-Executive <sup>13</sup>	  	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	08/09/1951
Mr. Henri Philippe Reichstul	Director - Other Non-Executive		30/10/2018	31/05/2019	General Shareholders Meeting Resolution	12/04/1949
Mr. J. Robinson West	Director - Independent Non-Executive		28/01/2015	31/05/2019	General Shareholders Meeting Resolution	16/09/1946
Ms. Isabel Torremocha Ferrezuelo	Director - Independent Non-Executive	 	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	25/01/1964
Mr. Luis Suárez de Lezo Mantilla	Director Secretary - Other Non-Executive <sup>14</sup>		02/02/2005	19/05/2017	General Shareholders Meeting Resolution	25/01/1951

#### Committees of the Board of Directors

 Delegate Committee	 Remuneration Committee
 Audit and Control Committee	 Sustainability Committee
 Appointments Committee	 Chairman of the Committee

<sup>13</sup> Mr. Mariano Marzo was appointed as Lead Independent Director by the Board of Directors on this meeting held on March 27th 2018.

<sup>14</sup> With effect from 31 December 2019, when Mr. Luis Suárez de Lezo Mantilla concluded his executive functions as General Secretary of the Company, he has been reclassified as "Other Non-Executive" by the Board.

## Resignations from the Board of Directors in 2019

Director	Category when standing down from office	Date of last appointment	Date of retirement	Committees of which they were a member	Comments
<b>MR. ÁNGEL DURÁNDEZ ADEVA</b>	Independent	04/30/2015	31/05/2019	<ul style="list-style-type: none"> <li>▪ Nomination Committee</li> <li>▪ Compensation Committee</li> <li>▪ Audit and Control Committee</li> </ul>	Expiry of the term of office of Mr. Ángel Durández Adeva as Director of the Company.
<b>MR. LUIS CARLOS CROISSIER BATISTA</b>	Independent	04/30/2015	31/05/2019	<ul style="list-style-type: none"> <li>▪ Audit and Control Committee</li> <li>▪ Sustainability Committee</li> </ul>	Expiry of the term of office of Mr. Luis Carlos Croissier Batista as Director of the Company.



## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **ANTONIO BRUFAU NIUBÓ**

##### **CHAIRMAN OF THE BOARD OF DIRECTORS**

*Other Non-Executive*

Director of Repsol by resolution of the Board of Directors since 23 July 1996, subsequently ratified by the General Shareholders Meeting of 6 June 1997 and re-elected by the General Shareholders Meeting on 24 March 1999, 4 April 2003, 9 May 2007, 15 April 2011, 30 April 2015 and 31 May 2019.

Antonio Brufau Niubó has been Chairman of Repsol since 2004.

**Education:** Bachelor's degree in Economic Sciences from the Universidad de Barcelona. Honorary Doctorate from the Universidad Ramón Llull de Barcelona.

**Experience:** He commenced his professional career at Arthur Andersen, where he became Audit Director and Partner. In 1998, he joined the "La Caixa" Group as Deputy Chief Executive Officer, occupying the position of Chief Executive Officer between 1999 and 2004. He was also Chairman of the Gas Natural Group between 1997 and 2004. His broad experience in the business world and his knowledge of the energy sector have allowed him to lead the company's transformation process towards a more global and integrated model in the last decade. Repsol holds assets in 40 countries and is present throughout the oil and gas value chain, from the exploration and production of hydrocarbons to their transformation and marketing.

**Other relevant positions:** Antonio Brufau is a member of the Business Action Council of the Spanish Confederation of Business Organisations (CEOE), member of the Spanish Executives Association and the Círculo de Economía business organisation, trustee of the private foundation Instituto Ildefons Cerdà, trustee of Spanish Confederation of Directors and Executives (CEDE), Honorary President of the GLOBALleida interinstitutional consortium, trustee of the Real Instituto Elcano think tank, trustee of the Foundation for Energy and Environmental Sustainability (FUNSEAM), trustee of COTEC (Foundation for Technological Innovation) and trustee of the Fundación Princesa de Girona. He is also the Chairman of Fundación Repsol.

**Board committees to which he belongs:** Chairman of the Delegate Committee.



#### **JOSU JON IMAZ SAN MIGUEL**

##### **CHIEF EXECUTIVE OFFICER**

*Executive*

Josu Jon Imaz was appointed CEO of Repsol following Board resolution dated 30 April 2014 and subsequently ratified and re-elected by the General Shareholders Meeting on 30 April 2015 and 31 May 2019.

**Education:** Josu Jon Imaz has a PhD in Chemical Sciences from the Universidad del País Vasco. He graduated from the Faculty of Chemical Sciences of San Sebastián winning the Award for Excellence in Academic Career. He was also a visiting researcher at the Harvard Kennedy School in the United States.

**Experience:** Josu Jon Imaz commenced his professional career in research — he was sent by the INASMET Research Centre to the French technological centre CETIM, in Nantes — and the promotion of industrial (Mondragón Group) and business projects connected

to the world of energy. He also held various political responsibilities, notably including the Basque Country Department of Industry, Trade and Tourism in 1999 and the Executive Presidency of the Basque Nationalist Party, EAJ-PNV.

He joined Repsol as Chairman of its subsidiary Petronor in 2008, where he successfully managed the challenges of modernisation, sustainability and environmental relations. From 2010, he combined this position with that of Director of New Energies. In 2012, he joined Repsol's Management Committee and was appointed General Manager of the Industrial and New Energies Area, responsible, among other functions, for coordinating the activities of all the industrial complexes. Since he was appointed CEO in 2014, he has led the transformation process of the company, today consolidated as one of the world's largest in the oil and gas sector. The improvement of efficiency and the management of the asset portfolio are the pillars of the strategy driven by the CEO, with the aim of turning Repsol into a more flexible and competitive company, capable of getting the most from its integrated business model. He was also Vice-Chairman of Gas Natural SDG, S.A. from September 2016 to February 2018.

**Other relevant positions:** Member of Repsol's Executive Committee and trustee of Fundación Repsol.

**Board committees to which he belongs:** Member of the Delegate Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **MANUEL MANRIQUE CECILIA**

##### **DEPUTY CHAIRMAN**

*Proprietary Non-Executive (proposed by Sacyr S.A.)*

Mr. Manrique was appointed Director of Repsol following Board resolution dated 25 April 2013 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2013 and re-elected by the General Shareholders Meeting on 19 May 2017.

**Education:** Mr. Manrique has a bachelor's degree in Roads, Canals and Ports Engineering from the Escuela Técnica Superior de Madrid.

**Experience:** He commenced his professional career at Ferrovial. In 1987, he was part of the founding core of Sacyr, becoming its International Officer in the late-90s and Construction General Manager in 2001. In 2003, coinciding with the merger of Sacyr and Vallehermoso, Mr. Manrique was appointed Chairman and CEO of the construction division and Board member of the parent company of the new Sacyr Vallehermoso Group. In November 2004, he was appointed First Vice-Chairman and CEO of Sacyr Vallehermoso, S.A. and a member of the Group's Executive Committee. Since October 2011, Mr. Manrique has also occupied the position of Chairman of the Board of Sacyr, S.A. (previously Sacyr Vallehermoso, S.A.). He has over 35 years' professional experience in the sectors of construction, infrastructure concessions, services, equity, development and energy.

**Other relevant positions:** Director of other companies of the Sacyr Group and Chairman of the Sacyr Foundation.

**Board committees to which he belongs:** Member of the Delegate Committee.



#### **MAITE BALLESTER FORNÉS**

*Independent Non-Executive*

Ms. Ballester was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

**Education:** She graduated cum laude in Finance and Political Sciences from Boston College and holds an MBA from Columbia University in New York.

**Experience:** She commenced her professional career at GTE Corporation (Verizon) in the United States as a financial executive, subsequently joining Booz, Allen & Hamilton as a strategy consultant for important multinationals in Mexico, the United Kingdom, Spain and Portugal.

She has been CEO of 3i in Spain, where she gained broad experience in the private equity sector at international level, leading multiple investment transactions and divestments and participating in the institutional investors acquisition process for global funds promoted by 3i. She has also led numerous refinancing processes and several IPOs, and she has great experience on boards of different companies, both listed and unlisted.

From 2014 until January 2017, Ms. Ballester rendered services to EY as external adviser of the Transaction Services (TAS) division, to support the firm's positioning in private equity services. She has also been President of the Spanish Association of Venture Capital Entities (ASCRI).

**Other relevant positions:** She is currently a Director of Promotora de Informaciones, S.A. (PRISA), Prisa Radio, S.A., a member of the Circulo de Empresarios non-profit business owners' organisation, the Instituto de Consejeros y Administradores (ICA), Women Corporate Directors (WCD) and the International Women's Forum (IWF), and she frequently speaks at business schools and professional associations. Furthermore, she is founder and Managing Partner of the private equity fund Nexus Iberia I.

**Board committees to which she belongs:** Member of the Audit and Control Committee and member of the Compensation Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### RENE DAHAN

*Proprietary Non-Executive (proposed by Temasek)*

Mr. Dahan was appointed Director of Repsol by resolution of the General Shareholders Meeting on 31 May 2013 and re-elected by the General Shareholders Meeting on 19 May 2017.

**Experience:** Mr. Dahan has been a Director and Executive Vice-Chairman of ExxonMobil. He commenced his professional career at Exxon in the Rotterdam refinery in 1964. Having occupied several positions in the transactions, engineering and human resources areas, he was appointed head of the 325 kbd Rotterdam refinery. In 1976, he moved to Exxon's central European offices where he was responsible for Exxon's natural gas activity in Europe. After a brief period in Exxon's offices in New York, he was appointed CEO of Esso BV, the subsidiary of the company responsible for all the upstream and downstream activity in Belgium, the Netherlands and

Luxembourg. He moved to New Jersey (United States) in 1990 and, in 1992, he was appointed Chairman of Exxon Company International, responsible for all Exxon's business in North America.

In 1998, he became a member of the Management Committee and Director of Exxon in Dallas, responsible for the whole downstream and chemicals business at global level. In 1999, he led the merger between Exxon and Mobil and was appointed Executive Vice-Chairman of ExxonMobil until his retirement in 2002.

Between 2002 and 2009, he occupied the position of Director on the Supervisory Boards of VNU N.V., TNT N.V. and Aegon N.V., as well as those of CVC (venture capital) and the Guggenheim Group in New York. On 1 October 2013, he resigned from his position as Chairman of the Supervisory Board of Royal Ahold N.V., a position he had held for 10 years.

**Other relevant positions:** He is a member of the International Advisory Board of the Instituto de Empresa in Madrid and Chairman of the Dahan Family Foundation. He has been Chairman of the Supervisory Board of the Dutch company NRGV Retail Nederland B.V. since 1 January 2016.

**Board committees to which he belongs:** Member of the Delegate Committee.



#### ARANTZA ESTEFANÍA LARRAÑAGA

*Independent Non-Executive*

Ms. Estefanía was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

**Education:** She graduated in Law with First Class Honours at the Universidad de Deusto winning the Award for Excellence in Academic Career.

**Experience:** From its foundation in 2000 until January 2019, she was Managing Partner of Uría Menéndez Abogados, S.L.P. in Bilbao. During those years, she performed various roles at the firm, notably including that of Director of the Practical Area of Procedural, Public, Arbitration and Criminal Law. Furthermore, she has been a member of Uría Menéndez's Board of Directors, Professional Practice Management Committee and Criminal Risk Prevention Committee.

She has earned recognised standing in the area of Commercial Law. She has been Secretary of the Board of Directors of several trading companies and entities and she is currently Secretary of the Board of Bilbao Exhibition Centre, S.A. On several occasions, she has been appointed as an Arbitrator by the Court of Arbitration of the Bilbao Chamber of Commerce to resolve commercial conflicts. Over more than thirty years, she has gained vast experience in the area of compliance and criminal risk prevention, as well as environment and security. In recent years, Ms. Estefanía has given multiple lectures with respect to the criminal liability and compliance of legal persons and she has also authored several publications.

Ms. Estefanía has been constantly recognised on an annual basis by Best Lawyer in Spain as leading lawyer in the practices of arbitration and mediation and as lawyer of the year in the procedural area. She also has teaching experience as adjunct lecturer of the Civil law Department of the Universidad de Deusto.

**Other relevant positions:** Since May 2019, she has formed part of the group of experts of the Basque Country Economic and Social Council, the advisory body of the Basque Government and Parliament, chairing that body's Economic Commission from December 2019.

**Board committees to which she belongs:** Member of the Appointments Committee and member of the Sustainability Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **CARMINA GANYET I CIRERA**

*Independent Non-Executive*

Ms. Ganyet was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

**Education:** Ms. Ganyet is an Economic Sciences and Business Administration graduate from the Universitat Autònoma de Barcelona. Furthermore, she has completed postgraduate studies at ESADE business school.

**Experience:** She is a specialist in "Corporate Finance" and capital markets. She commenced her professional career at Arthur Andersen. In 1995, she was appointed head of Investment and Management Control of the Financial, Property and Insurance Group of Caixa Holding (currently Criteria). In 1999, she led Colonial's IPO and, in 2000, she was appointed CFO, joining its Management Committee.

In January 2009, she was appointed Corporate General Manager. During these years, she has led the international extension through the takeover bid for Société Foncière Lyonnaise (property company listed on the Paris stock exchange) and has led the financial restructuring of Colonial and executed several corporate transactions consolidating Colonial as one of the largest and leading pan-European office property companies. Moreover, Ms. Ganyet has teaching experience as a lecturer in the Faculty of Business Administration of the Universitat Ramon Llull.

**Other relevant positions:** She is currently Corporate General Manager of Inmobiliaria Colonial and is part of its Management Committee and a Board member of Société Foncière Lyonnaise. She is a member of the Management Board of the Círculo de Economía business organisation, member of the Board of Trustees of Universidad Ramon Llull, member of the Ethos Ramon Llull Ethics and Business Council, member of the ULI Barcelona Council, member of the Management Board of ESADE Alumni and member of the Barcelona Global Organisation. She has been an independent director of ICF (Instituto Catalán de Finanzas) and SegurCaixa Adeslas, and director of SIIC de Paris representing controlling shareholders. Moreover, she has won several awards and recognitions in her professional career.

**Board committees to which she belongs:** Chairman of the Appointments Committee, Chairman of the Compensation Committee and member of the Audit and Control Committee.



#### **TERESA GARCÍA-MILÁ LLOVERAS**

*Independent Non-Executive*

Ms. García-Milá was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

**Education:** Ms. García-Milá has a bachelor's degree in Economic Sciences from the Universidad de Barcelona and a PhD in Economics from the University of Minnesota.

**Experience:** She commenced her professional career as interim tenured lecturer at the Department of Economics of the State University of New York and later at the Department of Economics of the Universitat Autònoma de Barcelona (UAB). She has been a tenured lecturer and is currently a professor at the Department of Economics and Business of the Universidad Pompeu Fabra in Barcelona, where she has occupied several academic roles: Dean of

the Faculty of Economic and Business Sciences, Vice-Chancellor of Science Policy, and Economics and Business Head of Department. Furthermore, among other positions, she has been a Director of Enagás and Vueling, and Economics Coordinator of the National Assessment and Perspective Agency (ANEP).

**Other relevant positions:** She is currently Director of the Barcelona Graduate School of Economics and a Professor of the Department of Economics and Business at the Universidad Pompeu Fabra in Barcelona. Ms. García-Milá is an External Director of Banco Sabadell and a member of its Audit Committee, Appointments Committee and Risk Committee. Moreover, she is an honorary member of the Spanish Economics Association (of which she has been President), member of the Advisory Board of the Independent Tax Liability Authority (AIReF), member of the Management Board of the Centre de Recerca en Economia Internacional (CREI) research centre, Vice-President of Barcelona Global and of the board of trustees of the Institute for Political Economy and Governance (IPEG). Ms. García-Milá is a regular speaker at workshops and conferences and has authored numerous publications on economic matters. She has received distinctions such as the "Distinguished Member" of the Catalonia Association of Economists and the "Narcís Monturiol" Medal of the Regional Government of Catalonia.

**Board committees to which she belongs:** Member of the Audit and Control Committee and member of the Appointments Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **JOSÉ MANUEL LOUREDA MANTIÑÁN**

*Proprietary Non-Executive (proposed by Sacyr S.A.)*

Mr. Loureda was appointed Director of Repsol following Board resolution dated 31 January 2007 and subsequently ratified and appointed by the General Shareholders Meeting on 9 May 2007 and re-elected by the General Shareholders Meeting on 15 April 2011 and 30 April 2015 and 31 May 2019.

**Education:** Mr. Loureda has a bachelor's degree in Roads, Canals and Ports Engineering.

**Experience:** He commenced his professional career at Ferrovial in 1965, where he occupied several positions. He was a founder of Sacyr, where he was CEO until 2000 and Chairman until 2004. From 2003 to 2004, and after Sacyr's merger with Vallehermoso, he was Chairman of the Sacyr Vallehermoso Group.

**Other relevant positions:** He is currently a Director of Sacyr, S.A. (representing Prilou, S.L.), Chairman of Valoriza Gestión, S.A.U. and Director of Sacyr Construcciones, S.A.U.

**Board committees to which he belongs:** Member of the Compensation Committee and member of the Sustainability Committee.



#### **IGNACIO MARTÍN SAN VICENTE**

*Independent Non-Executive*

Mr. Martín was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

**Education:** Mr. Martín is a graduate of Electrical Industrial Engineering from the Universidad de Navarra.

**Experience:** He has developed his professional career in several companies, mainly in the industrial sector, such as GKN Automotive International, where he has exercised the positions of Chief Executive Officer, member of the global Executive Committee and CEO, the latter in the United States.

Mr. Martín has also been Deputy Chief Executive Officer and Vice-Chairman of Alcatel España and, after his return to the GKN Driveline Group, in 1999, he was appointed General Manager for Europe, which was GKN's most important region. In 2001, he joined the GSB Group as Executive Vice-President, where he led the merger with Corporación Industrial Egaña, giving rise to CIE Automotive, where he performed the role of CEO until 2012, when he joined Gamesa as Chairman and CEO, until its merger with Siemens Wind Power in May 2017.

**Other relevant positions:** He currently occupies the position of Director at Bankoa-Credit Agricole, Indra Sistemas, S.A. and Acerinox, S.A.

**Board committees to which he belongs:** Member of the Delegate Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **MARIANO MARZO CARPIO**

##### **LEAD INDEPENDENT DIRECTOR**

*Independent Non-Executive*

Mr. Marzo was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

**Education:** Bachelor's degree in Geology from the Universidad de Barcelona; PhD in Geological Sciences.

**Experience:** Mr. Marzo has worked in Europe, the United States, South America, the Middle East and North Africa and is a member of the American Association of Petroleum Geologists and the European Association of Petroleum Geoscientists & Engineers.

Furthermore, Mr. Marzo has participated in several advisory boards on energy matters of the central and autonomous community administrations, as well as other institutions, and he has maintained a continuous connection with the oil and gas industry, through the research applied to the exploration sector and the sedimentological characterisation of fields. Mr. Marzo has also formed part of the editorial boards of journals of great international prestige in the field of geology, such as Basin Research, Geology and Sedimentology, and he has published numerous works and worked vastly as a lecturer. His educational activity was rewarded with the "Distinction of the Universidad de Barcelona for the Best Scientific and Humanist Education Activities" in 2014.

**Other relevant positions:** Since 1989, Mr. Marzo has been a Professor of Stratigraphy and Lecturer of Energy Resources and Oil Geology in the Faculty of Earth Sciences of the Universidad de Barcelona, where he has developed his teaching career as a researcher, academic, columnist and lecturer. He is also a member of the Advisory Board of Club Español de la Energía and was Director of Section 4 (Earth Sciences) of the Reial Acadèmia de Ciències i Arts de Barcelona.

**Board committees to which he belongs:** Chairman of the Sustainability Committee, member of the Appointments Committee and member of the Compensation Committee.



#### **HENRI PHILIPPE REICHSTUL**

*Other Non-Executive*

Mr. Reichstul was appointed Director of Repsol by co-option in accordance with a resolution of the Board meeting held on 30 October 2018, a position he had already held between December 2005 and May 2017 and ratified and re-elected by the General Shareholders Meeting on 31 May 2019.

**Education:** Mr. Reichstul has a bachelor's degree in Economic Sciences from the Universidade de São Paulo and has completed postgraduate studies at Hertford College, Oxford.

**Experience:** He has been Secretary of the State Companies Budgets Office and Brazil's Vice-Minister for Planning. Between 1988 and 1999, he performed the role of Vice-Chairman and CEO of Banco Inter American Express, S.A. Between 1999 and 2001, he was Chairman of Petrolera Estatal Brasileña Petrobras.

**Other relevant positions:** He is a member of the Advisory Board of Lhoist do Brasil Ltda., Chairman and Oversight Board member of Fives Group, Board member of LATAM Airlines Group, Board member of TAM Linhas Aéreas and Board member of the Brazilian Foundation for Sustainable Development (FBDS).

**Board committees to which he belongs:** Member of the Delegate Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### ISABEL TORREMOCHA FERREZUELO

*Independent Non-Executive*

Ms. Torremocha was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

**Education:** Graduate of Chemical Sciences from the Universidad Autónoma de Madrid. Postgraduate Specialisation in Plastics and Rubber course with the Spanish National Research Council (CSIC), Leadership Programme at ISD Business School, Management Development Programme at IESE Business School and Corporate Finance at IE Business School.

**Experience:** Ms. Torremocha commenced her professional career at Philips Iberia, joining Andersen Consulting (currently Accenture) in 1991, where she has developed her career in the Telecommunications, Media and High Technology sector. She has been Chief Executive Officer at Accenture and a Board member of Accenture España.

During her latest period at Accenture, working as Transformation Opportunities Director, Ms. Torremocha has led the creation and development of opportunities related to strategic transformations in the areas of information technologies, outsourcing of business processes and digital transformation in Spain, Portugal and Africa.

She has previously performed international roles, the most significant being that of Europe, Africa and Latin America Operations Director, with responsibility for the establishment of the business strategy in these geographic areas.

She has also been responsible for diversity and equality in the Telecommunications, Media and High Technology division of Europe, Africa and Latin America, defining the plans for acceleration of the number of professional women in management positions and in succession plans.

**Other relevant positions:** She currently occupies the position of Director of Inra Sistemas, S.A. and she is also Trustee and Chairman of the Appointments Committee at the Plan International foundation, a member of the Instituto de Consejeros y Administradores (ICA), member of the Asociación Española de Directivos (AED) and member of the Foro de Foros foundation.

**Board committees to which she belongs:** Chairman of the Audit and Control Committee and member of the Sustainability Committee.



#### ROBINSON WEST

*Independent Non-Executive*

Mr. West was appointed Independent Director of Repsol following a Board resolution dated 28 January 2015 and subsequently ratified and re-elected by the General Shareholders Meeting on 30 April 2015 and 31 May 2019.

**Education:** Mr. West has a bachelor's degree from the university of North Carolina Chapel Hill and a Juris Doctor from Temple University Law School in Philadelphia.

**Experience:** Mr. West is a recognised international expert in the energy market, particularly in all the areas related to oil and gas. In 1984, he founded PFC Energy, a company of which he was also chairman until 2013. Before founding PFC Energy, he performed

senior positions in the government, in several administrations. Therefore, under the government of Ronald Reagan, as Deputy Secretary of the Interior, he developed and implemented the five-year leasing plan of the external United States continental platform, organising the largest non-financial auction in the world for that purpose.

He previously performed senior positions in the government, in several administrations. Therefore, under the government of Ronald Reagan, as Secretary of the Interior, he developed and implemented the five-year leasing plan of the external United States continental platform, organising the largest non-financial auction in the world for that purpose. During the presidency of Gerald Ford, he worked for the White House and as Deputy Secretary of Defense for International Economic Affairs, and he received the Secretary of Defense Medal for Outstanding Civilian Service

**Other relevant positions:** He currently leads the "Center for Energy Impact" of "The Boston Consulting Group" and is also a member of the National Oil Council, the External Relations Council, Chairman of the German Marshall Fund of the US and Emeritus President of the United States Institute of Peace.

**Board committees to which he belongs:** Member of the Delegate Committee.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### **LUIS SUÁREZ DE LEZO MANTILLA**

**SECRETARY OF THE BOARD OF DIRECTORS**

*Other Non-Executive*

Mr. Luis Suárez de Lezo Mantilla was appointed Director of Repsol following Board resolution dated 2 February 2005 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2005 and re-elected by the General Shareholders Meeting on 14 May 2009, 31 May 2013 and 19 May 2017.

**Education:** Mr. Suárez de Lezo is an Universidad Complutense Law graduate and State Lawyer (on leave). He specialises in Commercial and Administrative Law.

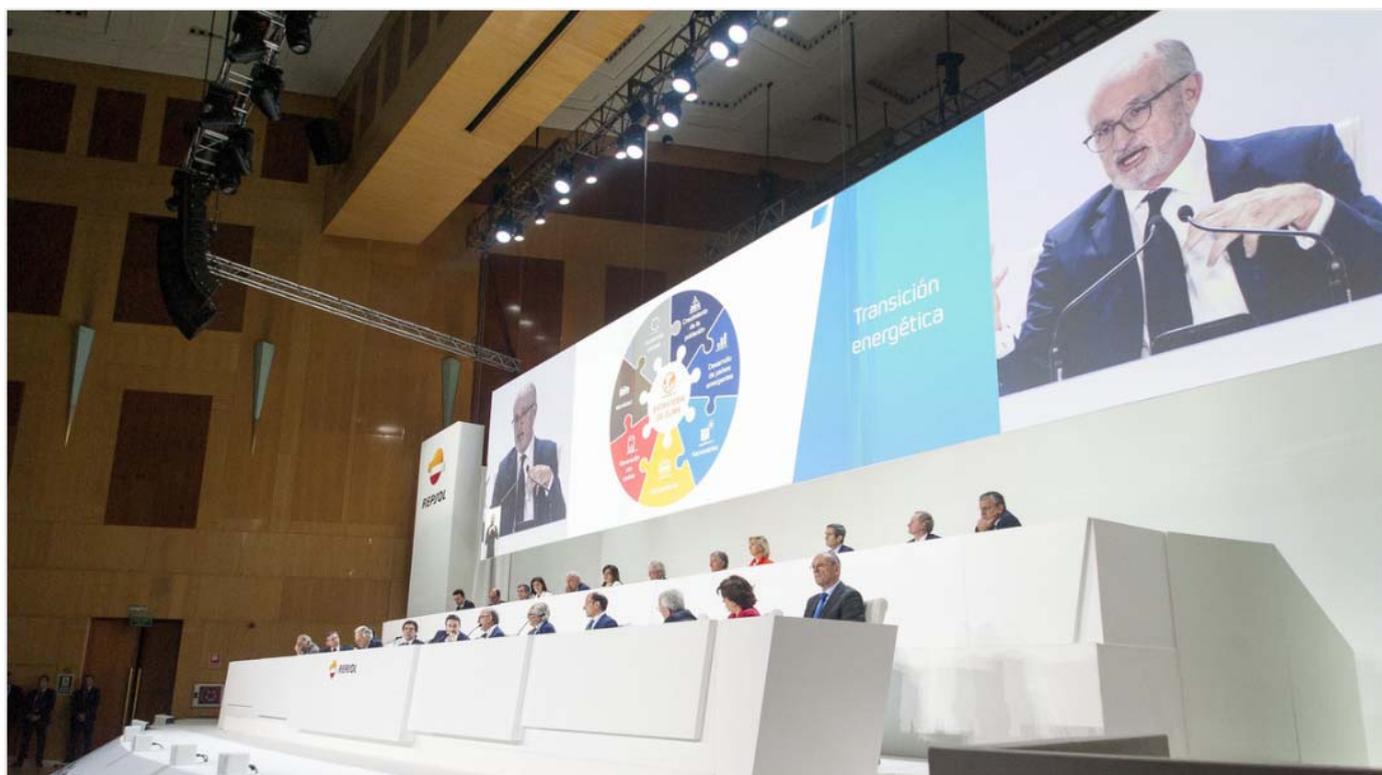
**Experience:** He was a Director of Legal Matters at Campsa until the end of the oil monopoly and has worked as an independent professional, particularly in the energy sector.

In 2005, he was appointed Chief Executive Officer of Repsol and Director and Secretary of the Board of Directors. He held the position of Chief Executive Officer until December 2019 when his executive functions ended, remaining as Director and Secretary of the Board.

Furthermore, Mr. Suárez de Lezo was a member of the Board of Directors of Compañía Logística de Hidrocarburos, CLH, S.A. from 2005 to 2010 and of Naturgy Energy Group, S.A. (previously Gas Natural SDG, S.A.) from 2010 to 2018.

**Other relevant positions:** He is currently Vice-Chairman of Fundación Repsol.

**Board committees to which he belongs:** Member of the Delegate Committee.



## Presence on other boards

In accordance with the Board of Directors Regulations, the Company's Directors may not hold more than four board mandates in other listed companies other than Repsol<sup>15</sup>.

The Directors that in turn are directors or representatives of Directors that are legal entities of other listed companies are indicated below:

Name of director	Name of listed company	Position
Manuel Manrique Cecilia	SACYR, S.A.	Chairman - Chief Executive Officer
Jose Manuel Loureda Mantiñán	SACYR, S.A.	Representative of Prilou, S.L. on the board of Sacyr Vallehermoso, S.A.
Carmina Ganyet i Cirera	SOCIÉTÉ FONCIÈRE LYONNAISE	Director
Ignacio Martín San Vicente	INDRA SISTEMAS, S.A.	Director
	ACERINOX, S.A.	Director
Henri Philippe Reichstul	LATAM AIRLINES GROUP, S.A.	Director
Isabel Torremocha Ferrezuelo	INDRA SISTEMAS, S.A.	Director
Maite Ballester Fornés	PROMOTORA DE INFORMACIONES S.A. (PRISA).	Director
Teresa García-Milá Lloveras	BANCO SABADELL, S.A.	Director

None of the Company's current Directors assume the position of director, representative of director or executive in other companies of the Group.

<sup>15</sup> Pursuant to Article 18 of the Board of Directors Regulations, and to these effects:

(a) all boards of companies that form part of the same group, as well as those board memberships held as proprietary director proposed by any company of this group, will be calculated as a single board mandate; and (b) those board mandates on asset-holding companies or companies that are vehicles or ancillary to exercising the professional services by the Director, their spouse or domestic partner, or their close family members will not be calculated. Exceptionally and due to reasons properly justified, the Board may waive the Director from this prohibition. In addition, the Director must inform the Nomination Committee of any other professional obligations they may have and any material changes in their professional situation, as well as any that may affect the nature or condition by virtue of which they have been appointed Director.

## Trend in the presence of women on the Board of Directors

In 2015, the Company set the objective of increasing the presence of women on the Board of Directors to 30% in 2020. To fulfil that objective, in recent years, Repsol has been increasing the number of women on the Board, reaching 20% in 2018 with the appointment of Ms. Carmina Ganyet i Cirera and surpassing 30% in 2019 with the appointment of Ms. Arantza Estefanía Larrañaga and Ms. Teresa García-Milá Lloveras as Independent Directors. Therefore, Repsol is above average with respect to the other IBEX-35 companies in terms of the presence of women on the Board, the average being 26.2% in 2019<sup>16</sup>.

### Women's presence on the Council in 2019

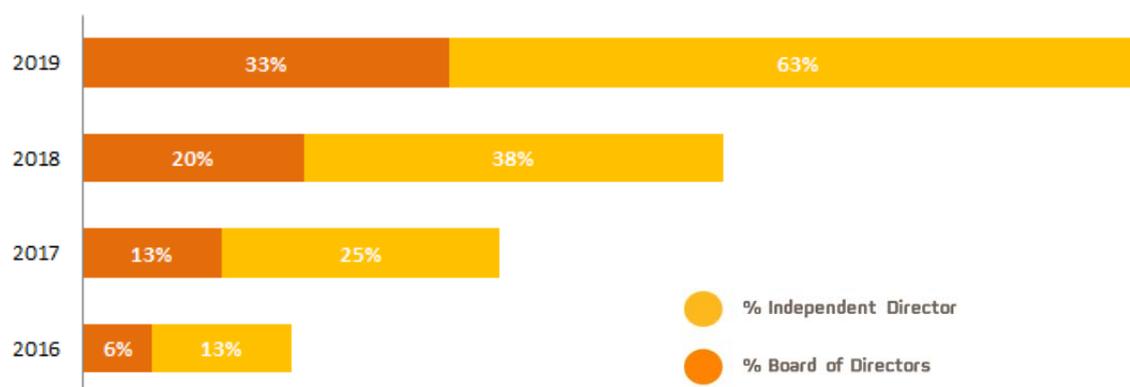


The following table reflects the trend in the presence of women on the Board and the Board Committees over the last four years:

	2019		2018		2017		2016	
	Nº	%	Nº	%	Nº	%	Nº	%
Board of Directors	5	33%	3	20%	2	12.5%	1	6.25%
Delegate Committee	0	-	0	-	0	-	0	-
Audit and Control Committee	4	100%	3	60%	2	40%	0	-
Nomination Committee	3	75%	1	25%	0	-	1	20%
Compensation Committee	2	50%	1	25%	0	-	1	20%
Sustainability Committee	2	50%	0	-	0	-	1	20%

With regard to the percentage of Independent Non-Executive Directors, the category to which all women that form part of the Board belong, this figure rose from 12.5% in 2016 to 62.5% in 2019.

## Female Directors



<sup>16</sup> In accordance with the "4th Study on Gender Diversity of Boards of Directors and Management Committees in the IBEX-35" prepared by WomenCEO, 26.2% of the members of the Boards of Directors of IBEX-35 companies in 2019 were women, 2% higher than in 2018. For its part, on 26 June 2019, the Spanish National Securities Market Commission published a press release on the percentage of female directors in the Ibex-35 out of the **total directors on Boards in 2018**, placing the average at 23.9% of the whole Ibex.

## Promoting diversity

The Company has a Directors Selection Policy, approved by the Board of Directors on 16 December 2015, which establishes the diversity criteria, in a broad sense, that must be fulfilled with respect to the composition of the Board of Directors. In accordance with that policy, the candidates for Director must be individuals whose appointment favours professional, knowledge, nationality and gender diversity within the Board of Directors.

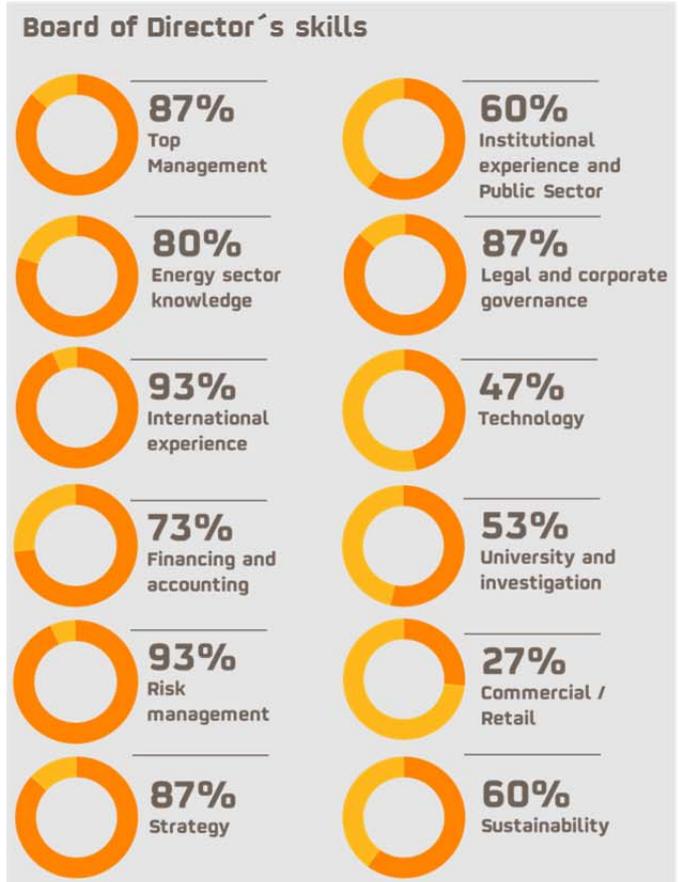
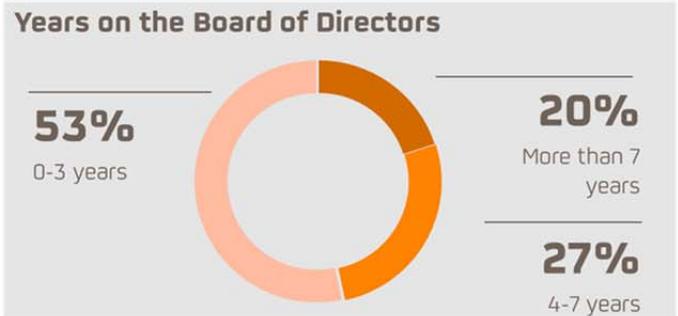
Moreover, the Board Regulations expressly grant the Appointments Committee the function of ensuring, when filling new vacancies or appointing new Directors, that there is no implicit bias in the selection procedures that may entail any discrimination, and women who meet the sought professional profile are deliberately looked for and included within the potential candidates, reporting to the Board on the initiatives adopted in this regard and their results.

Furthermore, article 32 of the Articles of Association establishes that the General Meeting and the Board of Directors, using its power of proposal to the General Meeting and of co-option to cover vacancies, will ensure that professional, knowledge, experience, nationality and gender diversity policies are applied in relation to the composition of the Board of Directors.

The Appointments Committee is responsible for ensuring that the Directors Selection Policy promotes that diversity within the Board of Directors, as well as the establishment of a specific objective relating to the presence of women on the Board. Additionally, it prepares a competence matrix that is updated annually.

Moreover, Repsol's Global Sustainability Plan establishes a series of specific objectives and challenges for 2020, based around core points of the Sustainability model: climate change, people, safe operation, innovation and technology, and ethics and transparency. These objectives include the aforementioned objective relating to the 30% presence of women that was already surpassed in 2019.

### Board diversity



## Compliance with the Director Selection Policy

In compliance with the principles contained in the Director Selection Policy, throughout the year the Nomination Committee carried out an ongoing analysis of the structure, size and composition of the Board of Directors, as well as the competencies, knowledge and experience necessary on the Board.

In 2019, there were a total of two vacancies on the Board of Directors; both of them corresponded to Independent Directors.

Both vacancies arose at the General Meeting of May 31, 2019, due to the expiry of the term of office of both Independent Directors Mr. Ángel Durández Adeva and Mr. Luis Carlos Croissier Batista, who had held the position for 12 years. In relation to these two vacancies, the Nomination Committee carried out a preliminary analysis on the needs of the Repsol Group and the competencies and skills that would be desirable to include or strengthen on the Board of Directors. In order to facilitate and prepare the proposals it had to submit to the General Meeting in relation to the appointment of Independent Directors and to have a variety of candidates that would enable their selection by the Committee, the Nomination Committee agreed to hire an external advisor specializing in the selection of candidates.

After analyzing the various profiles submitted, confirming their availability and compatibility of the

position with their other professional obligations and assessing their suitability to become Directors of Repsol based on the needs of the Group and the challenges faced by the Company, the Nomination Committee agreed to propose to the Board of Directors –to subsequently be submitted at the General Shareholders Meeting–, the appointment of Carmina Ganyet i Cirera and Ignacio Martín San Vicente as Independent Directors of the Company. These appointments were approved at the General Shareholders Meeting held on May 11, 2018.

After analyzing the various profiles presented, confirming their availability and compatibility of the position with their other professional obligations and assessing their suitability to become Directors of Repsol based on needs of the Group and the challenges faced by the Company, the Nomination Committee agreed to propose to the Board of Directors –to subsequently be submitted at the General Shareholders Meeting–, the appointment of Ms. Arantza Estefanía Larrañaga and Ms. Teresa García-Milá Lloveras as Independent Directors of the Company. The General Shareholders' Meeting approved their appointment on May 31, 2019.

By virtue of the above, the General Meeting held on 31 May approved the appointment of Ms. Arantza Estefanía Larrañaga and Ms. Teresa García-Milá Lloveras as Independent Directors. These two appointments **contributed to promote gender diversity in the composition of the Board and to reach the objective contained in the Repsol Directors Selection Policy for 2020, a year before the established objective.**

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## Director selection process

The director selection process is governed by the Director Selection Policy approved by the Board on December 16, 2015<sup>17</sup>.

### Selection and appointment process

#### 1. Assessment and selection of candidates

The Nomination Committee is the body in charge of assessing the knowledge, expertise and experience required on the Board, determining the duties and skills required of the candidates who are to fill each vacancy and assessing the time and dedication necessary for them to perform their duties adequately.

#### 2. Appointment of Directors

Board members are appointed by the General Meeting, without prejudice to the right of the Board to nominate shareholders by co-optation to fill any vacancies that arise, up to the next General Meeting.

The proposals for the appointment, ratification or re-election of Directors that are submitted at the General Meeting, as well as appointments by the co-optation, will be approved by the Board: (i) upon proposal by the Nomination Committee in the case of Independent Directors, or (ii) subject to a report by the Nomination Committee in the case of other Directors.

Within its powers to submit proposals at the General Meeting or appointment by co-optation, the Board may not propose as candidates or appoint as Directors any persons affected by any of the incompatibilities or prohibitions established by law, the Company Bylaws or regulations or any persons, companies or entities with a permanent conflict of interests with the Company, including its competitors or their directors, executives or employees, or any persons related to or proposed by them.

In order to be considered for appointment, candidates must have recognized prestige and sufficient professional experience and expertise to perform their duties, in addition to meeting the requirements stipulated for the position by law and the Company Bylaws.

Furthermore, those persons indicated in Article 13.2 of the Board of Directors Regulations may not be nominated or appointed as Independent Directors. A Director who holds a stake in the Company may be appointed as an Independent Director, provided they meet all the conditions established in the Board of Directors Regulations and inapplicable legislation, and they do not hold a significant interest.

For the purpose of assessing the independence of the Directors, the Appointments Committee takes into account the provisions of the Corporate Enterprises Act, the Good Governance Code for Listed Companies, internal regulations (Director Selection Policy and Article 13.2 of the Board of Directors Regulations), and the policies of the most significant shareholders and proxy advisors, and verifies that Independent Directors do not have any significant direct or indirect relationship with Repsol that could interfere with the independent performance of their duties and carries out the necessary materiality tests.

The Company Bylaws and the Board Regulations do not establish any age limit for Directors or set any additional limit regarding the term of office for Independent Directors other than that stipulated in applicable legislation. Likewise, no specific requirements are established to be elected as Chairman of the Board in addition to those established for the selection of Directors.

The proposals and reports on the appointment of Directors that were submitted for approval at the 2019 Annual General Meeting are available for consultation on the corporate website through the following link: [https://www.repsol.com/imagenes/global/es/propuestas-de-acuerdos-JGA-2019\\_tcm13-150986.pdf](https://www.repsol.com/imagenes/global/es/propuestas-de-acuerdos-JGA-2019_tcm13-150986.pdf)

It should also be noted that in 2019 no Proprietary Directors were appointed at the request of shareholders with a stake of less than 3% in the share capital, and there were no formal requests for a place on the Board from shareholders whose stake is equal to or greater than that of others that had been appointed Proprietary Directors.

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<sup>17</sup> To access the Director Selection Policy: [https://www.repsol.com/imagenes/global/en/00-00538PO\\_Directors\\_Selection\\_Policy\\_en\\_tcm14-66877.pdf](https://www.repsol.com/imagenes/global/en/00-00538PO_Directors_Selection_Policy_en_tcm14-66877.pdf)

### 3. Re-election of Directors

Directors will hold office for a maximum of four years, after which they will be eligible for re-election for one or several periods of equal duration. Directors appointed by co-optation will hold office until the next General Meeting following their appointment, at which their appointment will be subject to ratification.

The Nomination Committee is responsible for assessing the quality of their work and dedication of the Directors proposed during their previous term in office.

### 4. Cessation

Directors will stand down from office upon expiry of the term for which they were appointed and in all the other cases where this is required by law, the Company Bylaws and the Board of Directors Regulations.

The Board of Directors will not propose the removal of any Independent Non-Executive Director before the end of the period for which they were appointed, except where just cause is found by the Board, based on a proposal from the Nomination Committee. In particular, such a proposal will be justified if the Director (i) has failed to discharge the duties inherent to their position; (ii) is in any of the situations described in Article 16.2 of the Board of Directors Regulations, which is reproduced in subsection "Resignation of Directors" below; or (iii) falls into any of the circumstances of incompatibility to be considered an Independent Non-Executive Director.

The removal of an Independent Non-Executive Director may also be proposed as a result of takeover bids, mergers or other similar corporate transactions which involve a change in the Company's capital structure, to the extent that such removal is necessary in order to establish a reasonable equilibrium between Proprietary Non-Executive Directors and Independent Non-Executive Directors based on the ratio of capital represented by the former to the rest of the capital.

Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all other members of the Board of Directors.

## Resignation of Directors

Directors must tender their resignation to the Board of Directors and, if the Board considers it appropriate, resign in the following cases:

- a) When they are involved in any of the situations of incompatibility or prohibition established by law, the Company Bylaws or applicable regulations.
- b) When they have been seriously reprimanded by the Nomination Committee or by the Audit and Control Committee for having breached their duties as Directors.
- c) When, in the opinion of the Board, based on a report by the Nomination Committee:
  - i. Their remaining on the Board could jeopardize the interests of the Company or adversely affect the functioning of the Board or the standing and reputation of the Company; or
  - ii. When the reasons for their appointment no longer exist. Directors will find themselves in this position, particularly in the following cases:
    - o Proprietary Non-Executive Directors, when the shareholder they represent or who proposed their appointment transfers its entire shareholding. They will also offer their resignation and, should the Board deem fit, step down from the Board, in the corresponding proportion, if the shareholder reduces its shareholding interest to a level requiring a reduction in the number of its Proprietary Non-Executive Directors.
    - o Executive Directors, when they cease to hold the executive positions outside the Board with which their appointment as Director is associated.

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



Article 19 of the Board of Directors Regulations provides that Directors will notify the Board as soon as possible and keep it up to date on any situations in which they may be involved and that could harm the Company's name or reputation, to enable the Board to assess the circumstances, particularly in this regard.

In 2019, no members of the Board of Directors notified the Company that they had been indicted or tried for any of the offences stated in Article 213 of the Corporate Enterprises Act.

### 3.2. COMPETENCIES OF THE BOARD OF DIRECTORS

The Repsol Board of Directors met on 12 occasions in 2019. Director absences were kept to a minimum, and proxies were granted with specific instructions in those cases where a Director could not attend the meeting.

No. Of Board meetings	12	% of total attendance at meetings	100%
12	No. of meetings with attendance in person or by proxy with specific instructions from all the Directors.	98.3%	Of attendance in person over total votes during the year.
12	No. of meetings with attendance at least 90% of Directors.	100%	Of votes issued with attendance in person and by proxy with specific instructions over total votes during the year.
0	No. of meetings held without the Chairman.		

### Attendance at Board of Directors meetings

Director	In person	By proxy	% of attendance in person in 2019
Antonio Brufau Niubó	12	--	100%
Josu Jon Imaz San Miguel	12	--	100%
Manuel Manrique Cecilia	12	--	100%
Maite Ballester Fornés	12	--	100%
Luis Carlos Croissier Batista <sup>(1)</sup>	5	--	100%
Rene Dahan	12	--	100%
Ángel Duráñez Adeva <sup>(2)</sup>	5	--	100%
Carmina Ganyet i Cirera	12	--	100%
José Manuel Loureda Mantiñán <sup>(3)</sup>	11	1	91.66%
Ignacio Martín San Vicente	12	--	100%
Henri Philippe Reichstul <sup>(4)</sup>	11	1	91.66%
Mariano Marzo Carpio	12	--	100%
J. Robinson West <sup>(5)</sup>	11	1	91.66%
Luis Suárez de Lezo Mantilla	12	--	100%
Isabel Torremocha Ferrezuelo	12	--	100%
Arantza Estefanía Larrañaga <sup>(6)</sup>	7	--	100%
Teresa García-Milá Lloveras <sup>(7)</sup>	7	--	100%

(1) Mr. Croissier ended his term as member of the Board of Directors on May 31, 2019.

(2) Mr. Durandez ended his term as member of the Board of Directors on May 31, 2019.

(3) For health reasons, Mr. Loureda was unable to attend personally to the September 25, 2019 meeting of the Board of Directors, although he delegated his representation to Mr. Manrique. The documentation of the meeting was sent to it prior to its celebration, so it conveyed its considerations and precise voting instructions prior to the meeting.

(4) Due to other commitments made prior to the convening of the December 2, 2019 meeting of the Board of Directors, Mr. Reichstul attended the meeting represented by Mr. Brufau. The documentation of the meeting was sent to it prior to its celebration, so it conveyed its considerations on it and precise voting instructions prior to the meeting.

(5) Due to other commitments made prior to the convening of the December 2, 2019 meeting of the Board of Directors, Mr. West attended the meeting represented by Mr. Brufau. The documentation of the meeting was sent to it prior to its celebration, so it conveyed its considerations on it and precise voting instructions prior to the meeting.

(6) Ms. Estefanía was appointed Director of Repsol, S.A. dated May 31, 2019.

(7) Ms. García-Milá was appointed Director of Repsol, S.A. dated May 31, 2019.

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## Duties of the Directors

The duties of the Directors are included in the Board of Directors Regulations. Article 17 indicates that Directors must perform their duties with the diligence of an orderly businessman and a loyal representative, working in good faith in the Company's best interest.

Articles 18 to 23 of the Board of Directors Regulations set out the obligations to be met by Directors in accordance with their duties of diligence and loyalty with regard to non-competition, use of information on corporate assets and taking advantage of business opportunities, and the requirements established in respect of related party transactions between the Company and the Directors, significant shareholders represented on the Board or persons related to them.

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## Voting procedures

The adoption of resolutions by the Board of Directors requires the vote in favor of the majority of the Directors attending in person or by proxy, except in those cases indicated below.

### Matters that require larger majorities other than those stipulated by law

- Amendments to Articles 20 and 23 of the Board of Directors Regulations regarding the obligation of non-competition and related party transactions, respectively, requires the favorable vote of three-quarters of the Board members.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is required to authorize the Directors to provide advisory or representation services to the Company's competitors, subject to a favorable report by the Nomination Committee. The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to waive the conflict of interest incompatibility in respect of a proposal put to the General Meeting or an appointment of candidates or Directors by co-optation.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to authorize the Company's related party transactions with Directors, significant shareholders represented on the Board or persons related to them for an amount exceeding 5% of the Group's assets, in accordance with the most recent consolidated financial statements approved by the General Meeting, in respect of the Company's strategic assets, involving the transfer of significant technology of the Company, intended to establish strategic alliances and which are not mere agreements of action or execution of existing alliances. This is conditional upon the transaction being fair and efficient from the standpoint of the Company's interests, the Appointments Committee having issued a favorable report after obtaining the corresponding report from an independent expert of renowned prestige in the financial community indicating that the related party transaction will be made on reasonable, arm's length terms and if it is considered unadvisable to wait for the next General Meeting to obtain authorization, for reasons of opportunity.

Without prejudice to the Directors' duty to attend the meetings of the bodies they belong to or, failing this, if they are unable for justified reasons to attend the meetings to which they have been called, to issue the appropriate instructions to the director who is to represent them, if any, each Board member may grant a proxy to another member, with no limit on the number of proxies that may be held by any director for attendance of Board meetings, all subject to the provisions of the applicable laws.

Proxies for absent Directors may be granted by any written means, including a letter, telegram, telex, fax or email sent to the Chairman or the Secretary to the Board.

### 3.3. ACTIVITIES OF THE BOARD OF DIRECTORS

Repsol's Board of Directors is the holder of the Company's organic representation in charge of directing and managing the businesses and interests of the Company, unless reserved for the General Shareholders Meeting. In particular, the Board of Directors is responsible for approving the Company's strategy and the organization needed to put it into practice; overseeing and ensuring that Management meets the targets set and respects the Company's corporate purpose and interests; approving acquisitions and disposals of assets belonging to the Company or its subsidiaries that, for whatever reason and notwithstanding the involvement of the General Meeting when applicable by law, are considered especially significant.

The specific rules relating to its powers, composition, term of office, the convening of and quorum for meetings, the manner in which resolutions are passed and the distribution of positions on the Board are included in the [Company Bylaws](#) (Articles 31 to 36) and in the [Board of Directors Regulations](#).

#### Main activities in 2019

In 2019 the Board examined, discussed and issued proposals and reports on those matters reserved for its competence, most notably including the following:

- Preparation of Financial Statements and Management Report, both individual and consolidated, for 2018.
- Approval of quarterly financial statements, of the first and third quarter of the year and the elaboration of the Interim Financial Report corresponding to the first semester 2019, and the annual financial statements of 2018.
- Approval of the Trading Statement.
- Call of the AGM 2019, preparation of the proposals for agreements and reports on said proposals and execution of the agreements adopted.
- Annual Corporate Governance Report for 2018.
- Annual Remuneration Report 2018.
- Board of Directors Remuneration Policy 2019-2021.
- Remuneration of Directors for being part of the Board of Directors and Committees, together with the performance of the Executive Directors for their executive functions.
- Approval of the liquidation of the Long Term Incentive 2015-2018. Proposal of Long Term Incentive 2019-2022.
- Budget monitoring and results of the exploratory activity 2018.
- Information regarding the course of business
- Annual Budget 2019.
- Reports regarding Tax Policies applied by the Company.
- Renewal of the EMTN Program of Repsol International finance, B.V.
- Repsol Flexible Dividend Program.
- Execution of the Share acquisition Plan 2020.
- Follow-up of the strategic commitments.
- Investments and operations of the Company reserved for the approval of the Board of Directors.
- Report on technologies related to climate change.
- Digital Program follow-up
- Biofuel strategy.
- New business models. Connected Energy
- Energy transition and impacts in Repsol: alignment of the Company with the objectives of the Paris Agreement and the market assumptions and implications of all this in the value of the assets and their strategy.
- Risk map and Report on Emerging Risks.
- Approval of operations with significant shareholders.
- Self-evaluation of the functioning of the Board of Directors and its Committees.
- Appointment of the members of the Committees of the Board of Directors.
- Appointment and re-election of trustees of the "Fundación Repsol".
- Organizational evolution of the Top Management.

#### 3.4. FUNCTIONING OF THE BOARD OF DIRECTORS

There is a working environment of open dialogue on the Board that enables Directors to freely express and adopt their positions.

The matters to be discussed at the meetings of the Board and the Committees are planned prior to the beginning of each year by the Chairman of the Board and by the Committee Chairs, who encourage the participation of the Directors, per the definition thereof, along with Company Management.

##### Main responsibilities of the Chairman

Antonio Brufau Niubó, the Non-Executive Chairman of the Board of Directors, is the maximum authority responsible for the efficient functioning of this body and as such is responsible for carrying out the following specific duties:

- Call and chair the meetings of the Board of Directors and the Delegate Committee, setting their agenda and leading the discussions and debates, in order to ensure that all matters are given sufficient time for discussion, encouraging the active participation of Directors at the meetings.
- Ensure that the Board has effective decision-making processes, in particular in relation to proposals of greater scale;
- Ensure that prior to the meeting the Directors receive the appropriate information necessary to discuss the items on the agenda;
- Ensure that the Board committees are adequately structured and have appropriate rules of operation;
- Regularly review and agree on with each Director their training and development needs;
- Ensure that the actions of the Board and its Committees are assessed at least once a year, and take action based on the results of this assessment;
- Maintain regular communication with the chief executive, providing the appropriate support, and report to the Board of Directors on their activity and performance.
- Chair the General Shareholders Meeting, in accordance with applicable regulations.

##### Main responsibilities of the Chief Executive Officer

Mr. Imaz has been delegated all functions of the Board of Directors, except for those that cannot be delegated by law or under the bylaws, is the Company's chief executive and is responsible for the management of the businesses and the Company.

##### Main responsibilities of the Lead Independent Director

Mariano Marzo Carpio was appointed Independent Coordinating Director following Board resolution dated 27 March 2018 at the proposal of the Appointments Committee. Article 28 of the Board of Directors Regulations attributes him the following functions:

- Request that the Chairman of the Board of Directors call a Board meeting when he considers it appropriate.
- Request the inclusion of new points on the agenda of Board meetings, called or not, in the terms of article 9.3 of these Regulations.
- Coordinate, meet and transmit the opinions of the External Directors.
- Direct the regular appraisal of the Chairman of this body by the Board.
- Call and chair the meetings of the independent Directors he considers necessary or appropriate.
- Chair the Board of Directors meetings in the absence of the Chairman and Vice-Chairmen.
- Maintain contact with investors and shareholders to gauge their viewpoints to form an opinion on their concerns, in particular in relation to the Company's corporate governance.
- Coordinate the Chairman's succession plan.

## Information provided to Directors

The Chairman, assisted by the Secretary to the Board, ensures that the Directors are provided with the information necessary, and sufficiently in advance, in order to effectively carry out their responsibilities and adequately prepare for the meetings.

The call notices for Board and Committee meetings will be sent at least 48 hours prior to the meeting and include any documentation related to the agenda and minutes of the previous meeting. This information is accessible through the Director Portal, which is a specific computer application that facilitates the performance of the Directors' duties and the exercise of their right to information. This Portal includes the documentation and information deemed suitable for preparing the Board and Committee meetings in accordance with the agenda, including all presentations given, as well as any training materials aimed at Directors and any other information that may be of interest to them.

All Directors will also be provided with the minutes for all Committee meetings, which are also made available on the Director's Portal.

Directors have access to all the Company's services and may obtain, with the broadest possible powers, the information and advice they need to perform their functions. The right to information is channeled through the Chairman or the Secretary to the Board of Directors, who responds to Directors' requests and directly furnish them with the information, offering them access to appropriate sources or taking all necessary measures to answer questions.

## Interaction of the Board of Directors with executive personnel

The Board of Directors has a direct and ongoing relationship with the members of the Company's Senior Management. Key executives attend Board and Committee meetings with sufficient frequency so as to report on the matters within their competence, and on any other matter that may affect the Company's performance.



When executives are required to attend Board and Committee meetings, they will remain only for those specific items on the agenda where their presence is required.

Likewise, the Chairmen of the various Board Committees will meet on a regular basis with the heads of various corporate and business areas.

#### Director training

Repsol offers ongoing training programs and refresher courses on subjects in which the Directors have shown an interest. Among other matters, in 2019 training and information sessions were carried out in relation to the following content:

##### Board of Directors

Tax policies applied by the Company, emerging risks, technologies related to climate change, digital agenda, renewable energy generation and storage technology, biofuels strategy, connected energy, energy transition and climate change.

##### Audit and Control Committee

New accounting standards (IFRS 16), integrated risk management, emerging risks, new Data Protection Regulations and Draft Bill on stimulating the long-term engagement of shareholders and its impact on public financial information.

##### Sustainability Committee

Emerging and climate change risks map, report on ESG (Environmental, Social and Governance) analysts and investors, results and reporting of the Carbon Disclosure Project (CDP) and progress in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), culture of safety, progress in energy, climate change, community relations and human rights matters, and main international sustainability standards.

The Company also has an induction process for new Directors so that they are able to rapidly acquire sufficient knowledge of the Company and its corporate governance rules.

#### Information pack

- General information on the Company and its strategic plan
- Presentation of the Company's governance bodies and organizational structure
- Ethics and Conduct Code
- Company Bylaws
- Regulations of the General Shareholders Meeting
- Board of Directors Regulations
- Internal Code of Conduct relating to the Securities Market

#### Training sessions

- Functioning of Repsol's main businesses and corporate areas: Exploration and Production, Refining, Chemistry and Marketing
- Economic and energy environment

#### Specific meetings

- Specific sessions with the various heads of the Company's business and corporate areas
- Visits to the Company's various facilities

Orientation Program for New Directors

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#### External advisory services

The Directors have the power to propose to the Board of Directors the contracting at the Company's expense of legal advisers, accountants, technical, financial, and commercial experts, and experts of any other kind they consider necessary to the Company's interests, to provide assistance in the performance of their functions with regard to specific problems of particular importance and complexity relating to their positions.

The proposal must be submitted to the Chairman of the Company through the Secretary to the Board.

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#### Assessment of the Board of Directors

In accordance with the provisions of Article 45 quater of the Company Bylaws and Article 11 of the Board of Directors Regulations, at least once a year the Board will assess its performance and the quality and efficiency of its work. It also annually assesses the work of its Committees, based on the reports they submit. The Chairman of the Board organizes and coordinates the periodic assessments of the Board with the Committee Chairs. At least once every three years, the Board of Directors is assisted in the assessment process by an external consulting firm.

The assessment for 2019 was carried out through questionnaires that include, among others, various matters related to the composition of the Board of Directors and the Committees, their organization and functioning, and the performance of their responsibilities, as well as the performance of the Chairman of the Board, the Chief Executive Officer and the other Directors.

In the assessment for 2019, the Directors showed a high level of satisfaction with regard to the functioning and effectiveness of the Board and its committees and on the role carried out by the Chairman of the Board, the Chief Executive Officer and the General Secretary Director.

The assessment process was completed with the approval of the conclusions report at the Board and the action plan of Directors meeting on January 28, 2020.

With regard to these initiatives, it was agreed: (i) to prepare and publish an Activity Report of the Sustainability Committee that includes the main functions and activities of this Committee in 2019, and (ii) to continue adapting the Company's practices to the provisions of the CNMV Technical Guide on Nomination and Compensation Committees.



## 4. Committees of the Board of Directors

Without prejudice to the Board's capacity to create other Committees in accordance with the Bylaws, the Company currently has a Delegate Committee, Audit and Control Committee, Nomination Committee, Compensation Committee and Sustainability Committee.



### Regulation

The composition, functioning and competencies of the Committees of the Board of Directors are governed by the provisions of Articles 37 to 39bis of the Bylaws and Articles 32 to 37 of the Board of Directors Regulations.

### Functioning

The Committees will be considered validly convened when one half plus one of its members attend the meeting in person or by proxy.

The members of the Committees will be relieved of their duties once their tenure as Director ceases or

when agreed by the Board. Any vacancies that arise will be promptly filled by the Board of Directors.

The Committees will meet as and when called by the Chairman or requested by the majority of its members.

In order to better carry out its duties, this Committee may seek out advice from lawyers and other external professionals, in which case the Secretary to the Board, at the request of the Chairman of the Committee, will take whatever action necessary to engage the services of such lawyers or other professionals, which will be provided directly to the Committee.

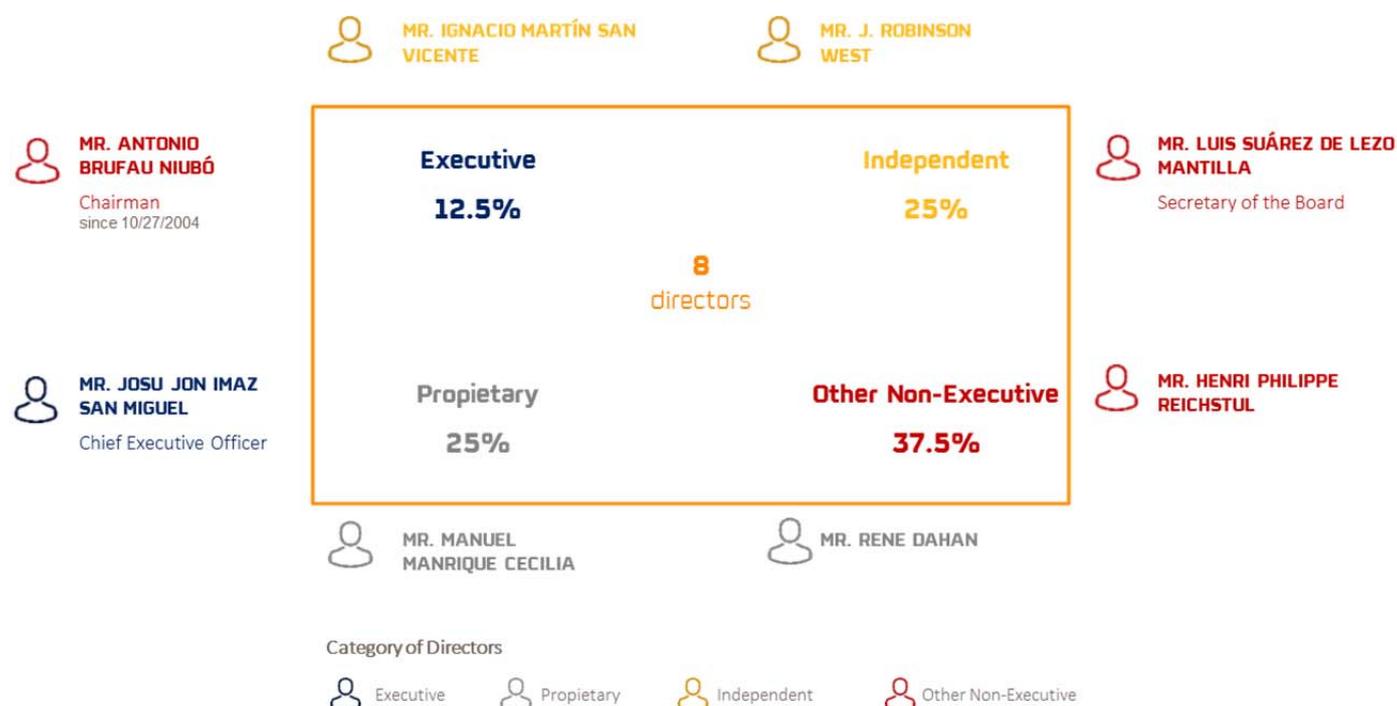
The Committees establishes an annual calendar of meetings, as well as an Action Plan for each year.

### 4.1. DELEGATE COMMITTEE

#### Composition

In accordance with the Board of Directors Regulations, the Delegate Committee will be composed of the Chairman of the Board of Directors and a maximum of eight Directors belonging to different categories, while maintaining a similar proportion to that of the Board of Directors. The Delegate Committee reflects the percentage on the Board of the various Directors by category. Committee members are appointed with a vote in favor of at least two-thirds of the current Board members. The Chairman and the Secretary of the Delegate Committee will be those of the Board of Directors.

The current composition of the Delegate Committee is as follows:



#### Competences and activities in 2019

All powers of the Board are permanently delegated to the Delegate Committee, except those that may not be delegated by law or under the Board Regulations. Whenever considered advisable owing to the importance of the business, in the opinion of the Chairman or three members of the Delegate Committee, or when required by the Board of Directors Regulations, the resolutions will be submitted to the Board in plenary session for ratification. The same will be applicable with regard to any matters referred by the Board to be studied by the Delegate Committee, which reserves the right to make the final decision on such matters. In all other cases, the resolutions passed by the Delegate Committee will be valid and binding with no need for subsequent ratification by the Board in plenary session.

Number of meetings in 2019: **8**

#### Main activities

- Approval of investment projects for amounts over EUR 40 million.
- Analysis and monitoring of relevant projects for the Company.
- Exploratory activity.
- Vision of renewable energy.
- Self-evaluation of the functioning of the Committees.

### Attendance at Delegate Committee meetings

Director	In person	By proxy	% of attendance in person in 2019
Mr. Antonio Brufau Niubó	8	--	100%
Mr. Josu Jon Imaz San Miguel	8	--	100%
Mr. Manuel Manrique Cecilia	8	--	100%
Mr. Rene Dahan	8	--	100%
Mr. Ignacio Martín San Vicente	8	--	100%
Mr. Henri Philippe Reichstul	8	--	100%
Mr. J. Robinson West	7	--	87.5% <sup>18</sup>
Mr. Luis Suárez de Lezo Mantilla	8	--	100%

#### 4.2. AUDIT AND CONTROL COMMITTEE

This Committee was voluntarily set up on February 27, 1995, although was not mandatory for listed companies until 2002. It is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

On June 27, 2017, the CNMV published Technical Guide 3/2017 on Audit Committees of Public Interest Entities, which includes additional good practices and criteria on the scope of the functions and responsibilities of audit committees, which the Committee has analyzed, implementing those considered most appropriate.

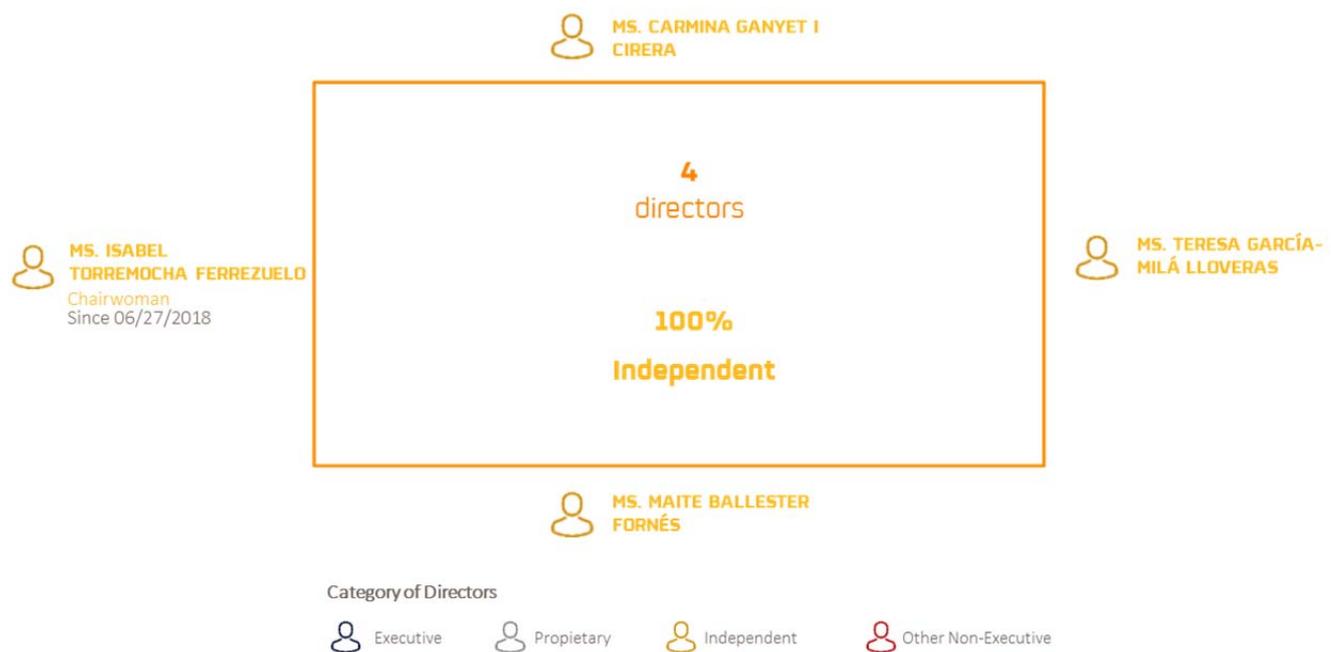
The Committee will also prepare an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website along with the call notice for the Annual General Meeting.

<sup>18</sup> Due to other commitments made prior to his convocation, Mr. West excused his attendance at the Delegate Commission meeting held on November 27, 2019.

## Composition

In accordance with the Board of Directors Regulations, the Audit and Control Committee will consist exclusively, and no fewer than three, of Independent Non-Executive Directors. Its members are appointed by the Board of Directors for a period of four years, taking into account their expertise and experience in accounting, auditing or risk management. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. The Chairman will be appointed from among its members and will hold office as such for a maximum of four years, after which they may not be re-elected until one year has passed, without prejudice to their continuation as a member of the Committee. The Secretary will be the Secretary to the Board of Directors.

The current composition of the Audit and Control Committee is as follows:



All of the Audit and Control Committee members have knowledge and experience in accounting, auditing or risk management, as well as various other competencies related to the sectors of telecommunications, information technologies, private equity, finance, corporate economic, risk control and management, energy or the securities market.

In accordance with the Board Regulations, the Chair of the Audit and Control Committee has experience in business and risk management and knowledge of accounting procedures.



## Competences and activities in 2019

The Committee supports the Board of Directors in its supervisory duties, by regularly reviewing the preparation of economic and financial reporting, the efficacy of internal controls, and the independence of the Auditor, as well as verifying compliance with all the legal provisions and internal regulations applicable to the Company. The Committee is in charge of submitting proposals regarding the appointment, renewal and removal of the External Auditors, as well as proposals on the terms of their contract, monitoring and reviewing the internal control and information systems, and overseeing the independence and effectiveness of the internal audit function. Before they are presented to the Board and with the necessary requirements to check they are correct, reliable, sufficient and clear, the Committee also analyzes the financial statements of the Company and its consolidated Group, as well as any other financial information that the Company is obliged to publish as a listed company, reviews the relevant changes regarding the accounting policies used and ensures that the Board of Directors submits the financial statements at the General Meeting without reservations or qualifications in the auditor's report.

Number of meetings in 2019: **10**

### Main activities

- Monitoring of the financial and non-financial information.
- Approval of the services contracted from external auditors, issuance of the report on the independence of the external auditor and fee proposal.
- Monitoring of the information and internal risk control systems.
- Monitoring of the tax policies applied by the Company.
- Monitoring of the activity of the Chief Compliance Officer and the Ethics and Compliance Committee.
- Monitoring of the reserves control.
- Monitoring of discretionary treasury share transactions.
- Review of the Risk Map, as well as emerging and climate change risks.
- Review of the reports and recommendations issued by Internal Audit.
- Analysis of new accounting standards.
- Analysis of communications received regarding accounting, internal accounting and auditing controls.
- Self-evaluation of the functioning of the Audit and Control Committee.
- Report regarding the compliance with obligations related to the stock market.
- Energy transition and impact on Repsol.

Without prejudice to the functions described above, the Audit and Control Committee will study any other matter that is submitted by the Board in plenary session, by the Delegate Committee or by the Chairman of the Board of Directors.

## Attendance at Audit and Control Committee meetings

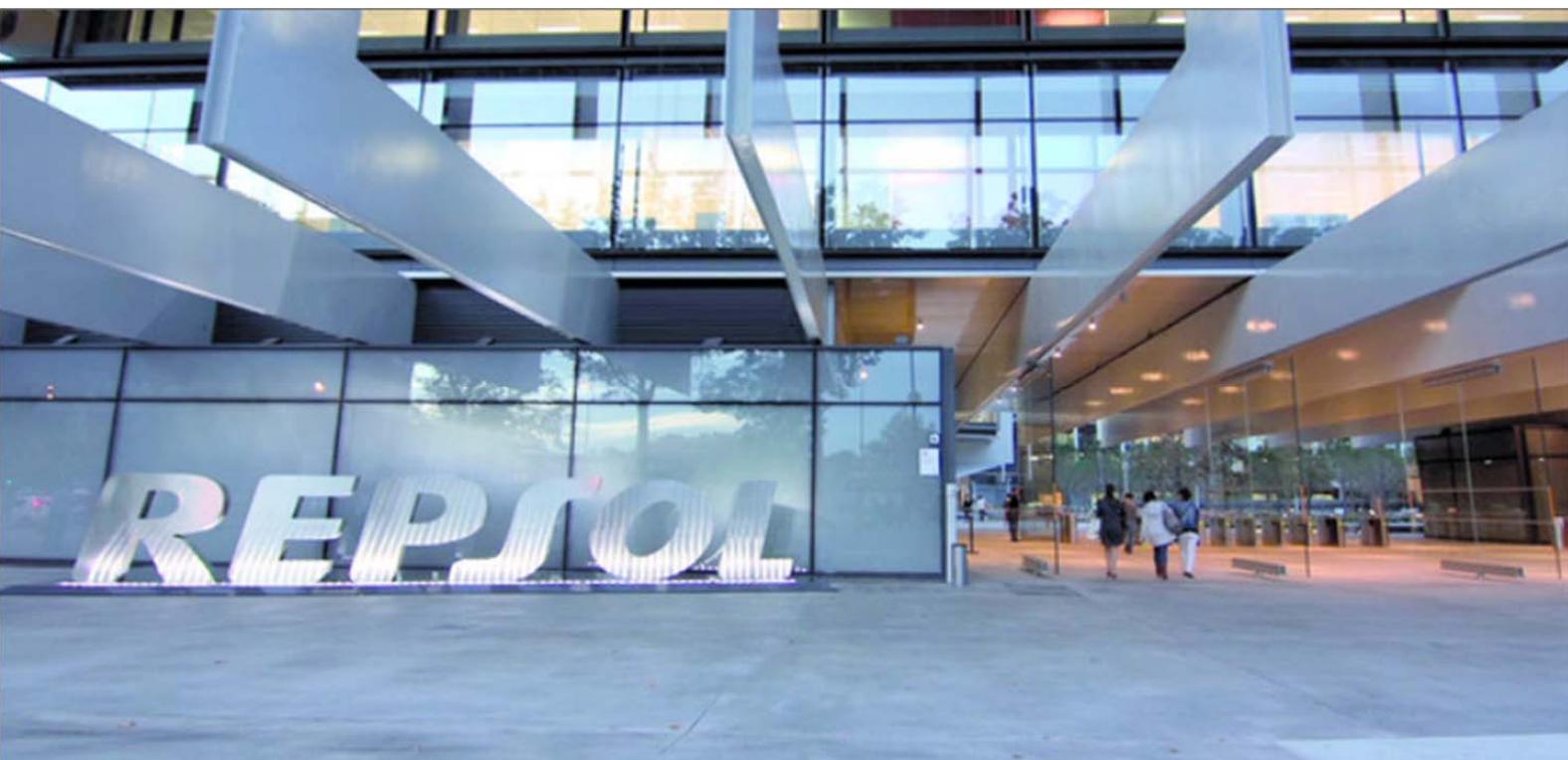
Director	In person	By proxy	% of attendance in person in 2019
Ms. Isabel Torremocha Ferrezuelo	10	--	100%
Ms. Maite Ballester Fornés	10	--	100%
Mr. Luis Carlos Croissier Batista <sup>(1)</sup>	3	--	75% <sup>(2)</sup>
Mr. Ángel Duráñez Adeva <sup>(3)</sup>	4	--	100%
Ms. Carmina Ganyet i Cirera	10	--	100%
Ms. Teresa García-Milá Lloveras <sup>(4)</sup>	6	--	100%

(1) Mr. Luis Carlos Croissier Batista ended his term as Director and member of the Audit and Control Committee on May 31, 2019.

(2) Due to other commitments made prior to the convening of the meeting on April 29, 2019, Mr. Croissier attended the meeting represented by Ms. Torremocha. The documentation of the meeting was sent to it prior to its celebration, so Mr. Croissier transmitted his considerations on it and voting instructions prior to the meeting.

(3) Mr. Ángel Duráñez Adeva ended his term as Director and member of the Audit and Control Committee on May 31, 2019.

(4) Ms. Teresa García-Milá Lloveras was appointed Director and member of the Audit and Control Committee on May 31, 2019.



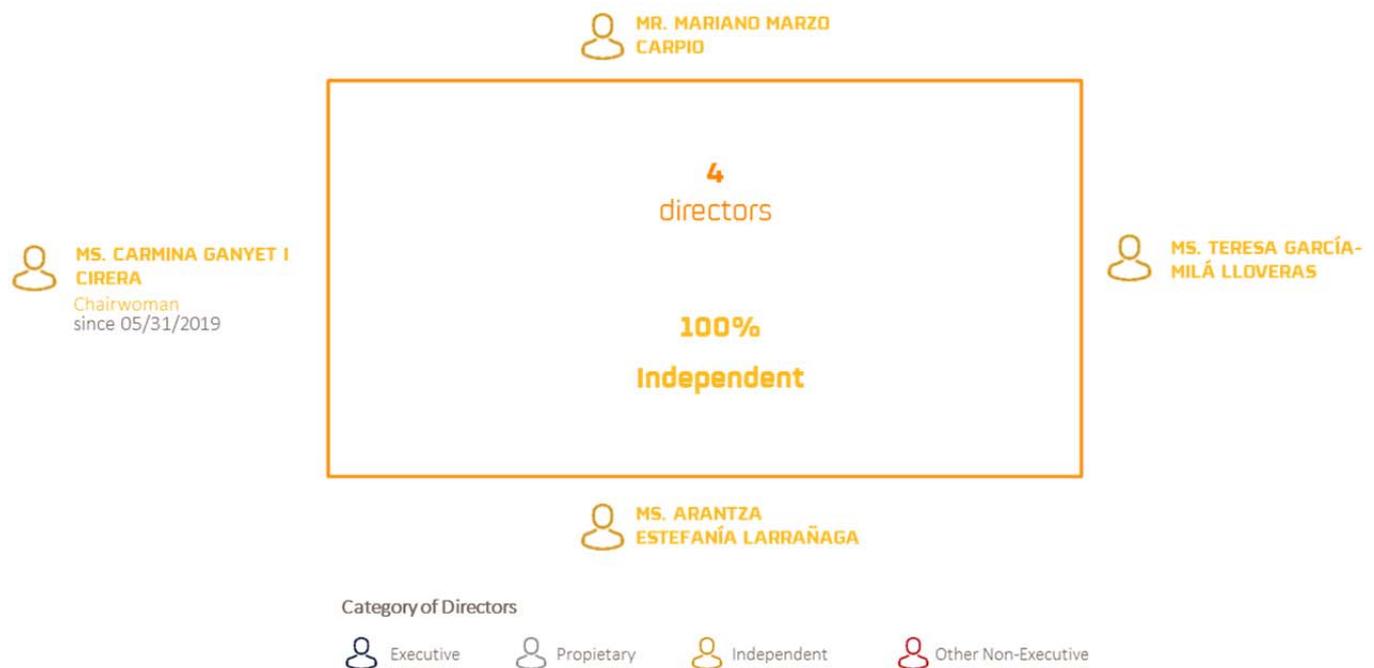
### 4.3. NOMINATION COMMITTEE

This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

#### Composition

In accordance with the applicable rules, the Nomination Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice the possible re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Nomination Committee is as follows:



#### Competences and activities in 2019

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the selection, appointment, re-election and removal Directors, establishing a representation target for the less well-represented gender on the Board, preparing guidelines on how to reach this target, reporting on the proposed appointment and removal of Senior Managers of the Group, reporting to the Board on compliance by Directors with the corporate governance principles and other obligations, and on matters relating to the non-competition obligations of the Directors and related party transactions.

Number of meetings in 2019: **7**

#### Main activities

- Analysis of the competencies and skills required on the Board of Directors based on the needs of the Group.
- Proposals on the composition of the Board of Directors.
- Verification of compliance with the Director Selection Policy.
- Verification of the status of each Director.
- Assessment of the functioning of the Board of Directors and its Committees.
- Analysis of related transactions with significant shareholders.
- Change in organizational structure.
- Analysis of the proposed Technical Guide of the Spanish National Securities Market Commission on Appointments and Compensation Committees.
- Review of the Management Talent Map

#### Attendance at Nomination Committee meetings

Director	In person	By proxy	% of attendance in person in 2019
Mr. Ángel Duráñez Adeva <sup>(1)</sup>	3	--	100%
Ms. Carmina Ganyet i Cirera <sup>(2)</sup>	7	--	100%
Mr. José Manuel Loureda Mantiñán <sup>(3)</sup>	3	--	100%
Mr. Mariano Marzo Carpio	7	--	100%
Ms. Arantza Estefanía Larrañaga <sup>(4)</sup>	4	--	100%
Ms. Teresa García-Milá Lloveras <sup>(5)</sup>	4	--	100%

(1) Mr. Ángel Duráñez Adeva ended his term as Director and member of the Nomination Committee on May 31, 2019.

(2) Ms. Carmina Ganyet i Cirera was appointed President of the Nomination Committee on May 31, 2019.

(3) Mr. José Manuel Loureda Mantiñán ended his term as member of the Nomination Committee on May 31, 2019.

(4) Ms. Arantza Estefanía Larrañaga was appointed member of the Nomination Committee on May 31, 2019.

(5) Ms. Teresa García-Milá Lloveras was appointed member of the Nomination Committee on May 31, 2019.

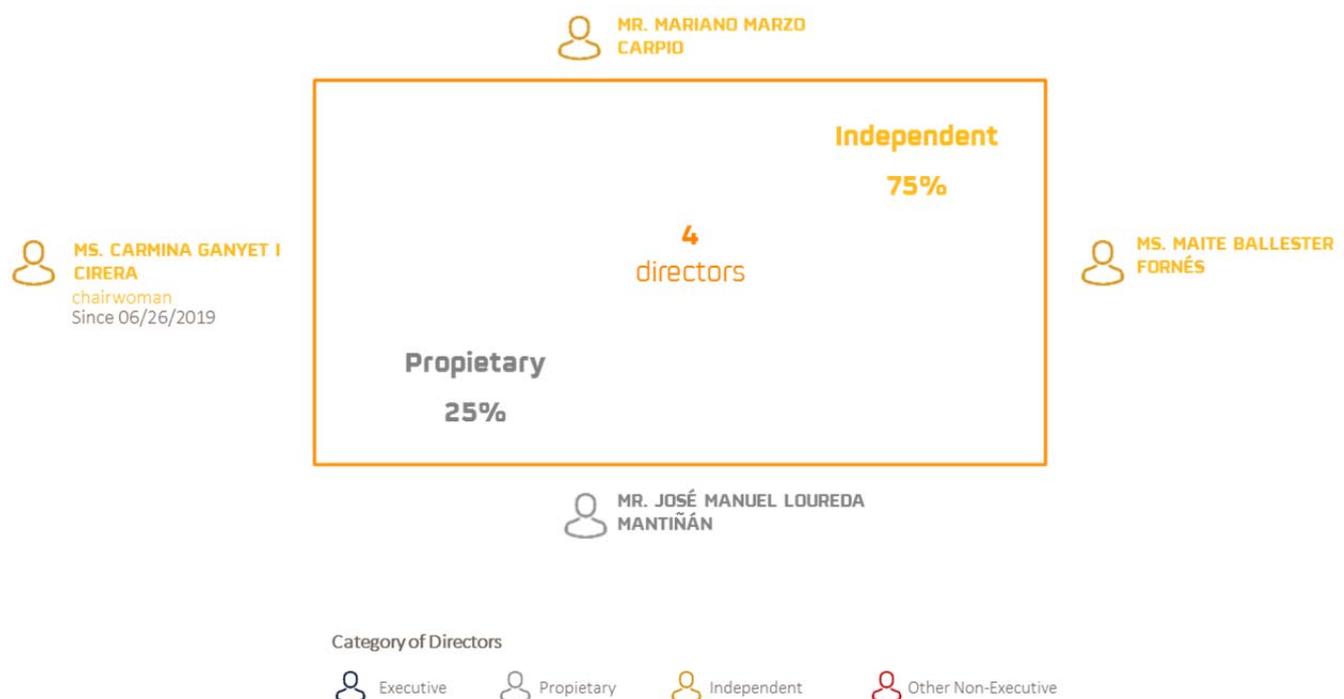
### 4.3. COMPENSATION COMMITTEE

This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

#### Composition

The Compensation Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Compensation Committee is as follows:



#### Competences and activities in 2019

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the remuneration policy for Directors and Senior Management and its application, including the share-based remuneration systems, on the standard terms of the contracts of Senior Management, verifying compliance with the remuneration policy established by the Company, ensuring that any potential conflicts of interest do not impair the independence of the external advisory services provided the company, verifying the information on remuneration contained in the various corporate documents or reporting on the use of company information and assets for private purposes.

Number of meetings in 2019: **5**

#### Main activities

- Report on the settlement of the Long-term Employee Incentive Programme 2015-2018 and proposed settlement of the Long-term Employee Remuneration Programme) 2019-2022.
- Remuneration proposal for membership of the Board of Directors and its Committees for the year 2019,
- Proposal for additional remuneration for Directors for the performance of executive duties
- Verification of the information of compensations of the Board of Directors and Senior Management included in the Financial Statements for year 2018.
- Proposals and reports for the Annual General Meeting related to:
  - Inclusion of the TSR (Total Shareholder Return) objective in the long-term variable remuneration of the Executive Directors.
  - Annual Report for remunerations of the Board of Directors pursuant to exercise 2018.
  - Repsol S.A. Directors Remuneration Policy 2019-2021.
- Definition of the objectives for the Long-Term Incentive (2019-2022).
- Self-evaluation of the functioning of the Committee
- Proposal for the new Global Stock Purchase Plan by all employees.
- Proposal of the new Long-Term Incentive Plan with partial concession in shares
- Report on the remuneration structure of the Directors
- Analysis of the Technical Guide of the CNMV about the Nomination and Compensation Committees.

### Attendance at Compensation Committee meetings

Director	In person	By proxy	% of attendance in person in 2019
Ms. Maite Ballester Fornés	5	--	100%
Mr. Ángel Duráñez Adeva <sup>(1)</sup>	2	--	100%
Ms. Carmina Ganyet i Cirera <sup>(2)</sup>	3	--	100%
Mr. José Manuel Loureda Mantiñán	5	--	100%
Mr. Ignacio Martín San Vicente <sup>(3)</sup>	2	--	100%
Mr. Mariano Marzo Carpio <sup>(4)</sup>	3	--	100%

(1) Mr. Ángel Duráñez Adeva ended his term as Director and member of the Compensation Committee on May 31, 2019.

(2) Ms. Carmina Ganyet i Cirera was appointed member of the Nomination Committee on May 31, 2019 and Chair of the same on June 26, 2019.

(3) Mr. Ignacio Martín San Vicente ended his term member of the Compensation Committee on May 31, 2019.

(4) Mr. Mariano Marzo Carpio was appointed member of the Nomination Committee on May 31, 2019.

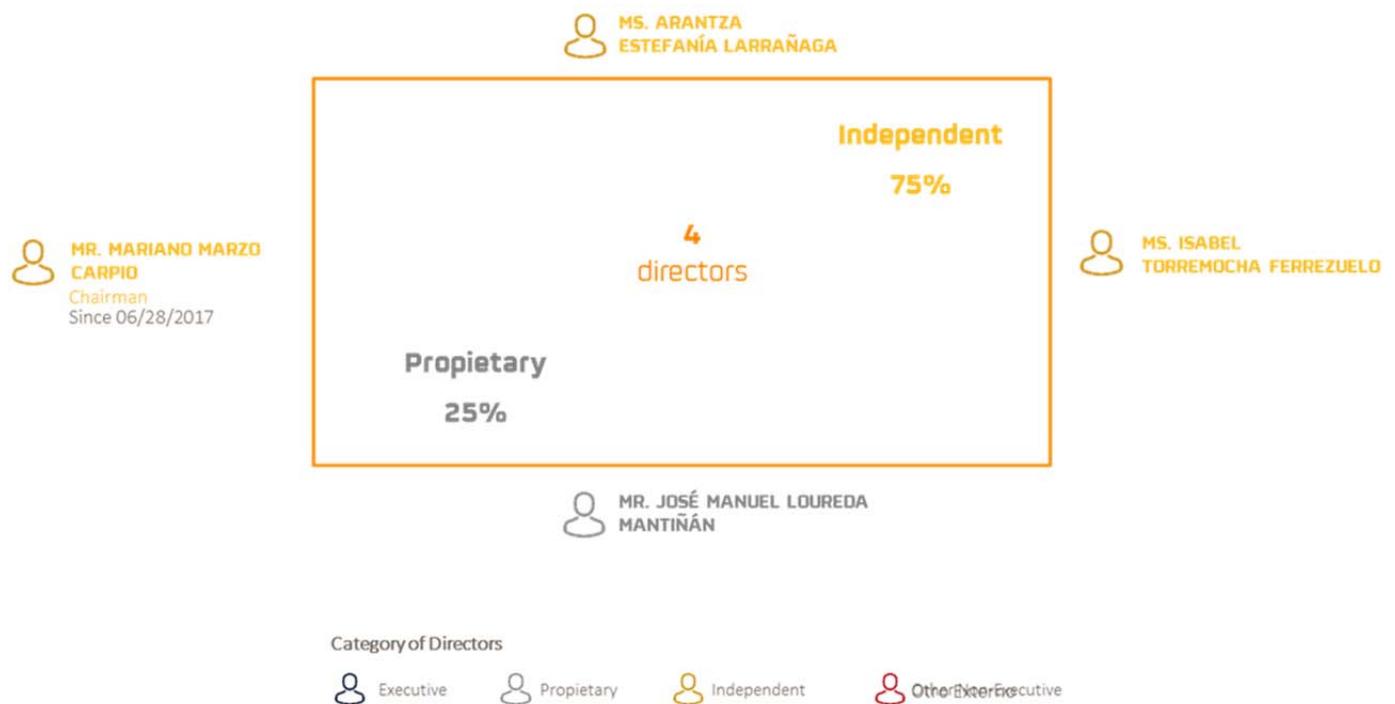
### 4.3. SUSTAINABILITY COMMITTEE

This Committee is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

#### Composition

The Committee consists of no fewer than three Directors, the majority of which must be Non-Executive. Its members are appointed by the Board of Directors, taking into account the expertise, skills and experience of the Directors and the duties of the Committee, for a term of four years. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. One of the members of this Committee will be appointed Chairman and the Secretary will be the Secretary to the Board.

The current composition of the Sustainability Committee is as follows:



#### Competences and activities in 2019

The duties of this Committee include, among others, being familiar with and shaping the Group’s policies, objectives and guidelines on environmental, safety and social responsibility matters, analyzing and reporting to the Board of Directors on the expectations of the Company’s various stakeholders and supervising the relations with them, proposing to the Board of Directors the approval of a Sustainability Policy and reviewing and evaluating the management and control systems for non-financial risks.

Number of meetings in 2019: **4**

#### Main activities

- Monitoring of the non-financial information. Integrated Management Report 2018.
- Monitoring of the sustainability strategy of the Company: proposal and follow-up of the 2019 objectives; 2018 evaluation and closing of the objectives 2018.
- Development of the map of Emerging Risks and Climate Change.
- Analysis and follow up of the performance on:
  - Safety and Environment: S&E Scorecard, dashboard of indicators and safety and environmental strategy.
  - Community Relations and Human Rights advances
  - Circular Economy Advances. Informes sobre analistas e inversores ESG (Environmental, Social and Governance).
- Report on ESG analysts (Environmental, Social and Governance).
- Climate Disclosure Project Results and advance in the Task Force on Climate-related Financial Disclosures (TCFD) and the report on Carbon Disclosure Project (CDP)
- Activities related with Energy Transition and Climate Change
- Repsol Safety Culture.
- Materiality Analysis 2019.
- Emergencies and crisis management procedure.
- Plan to boost Sustainable Development Goals
- Self-Assessment of the Committee

In addition, all matters related to climate change were reviewed at all Committee meetings held in 2019.

#### Attendance at Sustainability Committee meetings

Director	In person	By proxy	% of attendance in person in 2019
Mr. Mariano Marzo Carpio	4	--	100%
Mr. Luis Carlos Croissier Batista <sup>(1)</sup>	1	--	100%
Mr. José Manuel Loureda Mantiñán <sup>(2)</sup>	3	--	75%
Ms. Arantza Estefanía Larrañaga <sup>(3)</sup>	3	--	100%
Ms. Isabel Torremocha Ferrezuelo <sup>(4)</sup>	3	--	100%

(1) Mr. Croissier ended his term as member of the Board of Directors on May 31, 2019.

(2) For health reasons, Mr. Loureda was unable to attend personally to the September 25, 2019 meeting of the Sustainability Committee, although he delegated his representation to Mr. Marzo. The documentation of the meeting was sent to it prior to its celebration, so it conveyed its considerations and precise voting instructions prior to the meeting.

(3) Ms. Estefanía was appointed Director of Repsol, S.A. and member of the Sustainability Committee dated May 31, 2019.

(4) Ms. Torremocha Ferrezuelo was appointed member of the Sustainability Committee dated May 31, 2019.

## 5. Remuneration of Directors and Senior Management

**18,565<sup>19</sup>**

Remuneration accrued in 2019  
by the Board of Directors

**2,310<sup>20</sup>**

Amount of accumulated pension  
rights of current Directors

**0**

Amount of accumulated pension  
rights of former Directors

**10,195<sup>21</sup>**

Total remuneration of Senior Management in 2019

(thousand of euros)

### Breakdown of the members of Senior Management in 2019 that are not Executive Directors

Name	Category
Luis Cabra Dueñas	EMD of Technological Development, Resources and Sustainability
Begoña Elices García	EMD of External Relations
Arturo Gonzalo Aizpiri	EMD of People and Organization
Miguel Klingenberg Calvo	EMD of Legal Affairs
Antonio Lorenzo Sierra	EMD of CFO
Isabel Moreno Salas	MR. Audit, Control and Risks
María Victoria Zingoni	EMD of Commercial Businesses and Chemistry
Tomás García Blanco	EMD of Exploration and Production
Juan Antonio Carrillo de Albornoz Tejedor	ED of Industrial Businesses and Trading

<sup>19</sup> The amount indicated under this heading does not include the amounts corresponding to the compensation received by the Director-Secretary-General due to the termination of his contract and of his executive functions and non-competition agreement, which amounted to 11.3 million.

<sup>20</sup> It does not include the amount of 2.9 million euros accumulated in the "Permanence Award" Investment Fund on behalf of the Director-Secretary General, as this was settled on 31 December 2019.

<sup>21</sup> The amount indicated under this heading includes the remuneration of the Director of Audit, Control and Risk because, for the purposes of this report, "senior management" means those executives who report directly to the Board or the chief executive of the company and, in any case, the internal auditor.

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## **Termination benefits, guarantee or golden parachute clauses agreed between the Company and its directors, executives or employees**

The Company has established a single legal statute for executive personnel, comprised of seven Managing Directors (excluding Executive Directors) and another 244 Directors (the “Directors”).

This legal statute is specified in the *Executive Contract*, approved by the Board of Directors, which governs the indemnity terms applicable in cases where the employment relationship is terminated and which considers grounds for termination to be those envisaged in current legislation. In the case of Managing Directors, these grounds for termination include the resignation of the executive as a result of a takeover of the company or a major change in its ownership, leading to a renewal of its governance bodies or the content of and approach to its main business activity.

The amount of severance pay for the Managing Directors and the rest of the executives appointed before December 2012 is calculated according to the age, seniority and salary of each executive. In the case of executives appointed after that date, the amount is calculated based on their salary and years of service, within a range between 12 and 24 months, or the amount stipulated by law if higher.

For Chief Executive Officers contracted after 2012, compensation of one year's total remuneration (six months in the case of one of them) included within the 24 monthly payments of their compensation is established for the post-contractual non-compete commitment. For the other executives, one year of remuneration, total or fixed, is established in accordance with the duration of the contract, in addition to their compensation. The contracts of executives of some countries do not envisage the post-contractual non-compete commitment or do not establish any compensation for it.

For the CEO, on the other hand, deferred financial compensation equivalent to two years' fixed and variable annual remuneration — including the non-compete remuneration — is established, which will apply in case of termination of the contract due to causes attributable to Repsol or by mutual agreement, if it takes place in the Company's interest.

With respect to Mr. Suárez de Lezo, on 18 December 2019, the Board of Directors resolved the termination, by mutual agreement and at the initiative and in the Company's interest, of his executive functions as General Secretary, effective from 31 December 2019, as well as the payment of his deferred financial compensation and of the financial compensation for the non-compete agreement as detailed in this section and in the Annual Directors' Remuneration Report.

## 6. Related party and intra-group transactions

### Mechanisms to detect, determine and resolve conflicts of interest

The Regulations of the Board of Directors require the Directors to adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest and with their duties towards the Company. to the Board of Directors, through its Chairman or Secretary, any situation of conflict, direct or indirect, that they or persons linked to them may have with the interest of the Company and, in the event of such conflict, refrain from participating in the deliberation and voting of the corresponding agreements.

Directors must inform the Nomination Committee of any other professional obligations and remunerated activities of any kind, as well as any material change in their professional situation or any changes that affect the nature or condition by virtue of which they have been appointed Director.

Finally, Directors must tender their resignation and step down from the Board, should the latter deem fit, whenever they incur in any of the events of incompatibility or disqualification established by law, the Bylaws or regulations.

Lastly, the Repsol Group's Ethics and Conduct Code, which applies to the Board members and all Repsol employees, also defines and regulates the action procedure in situations where a potential conflict of interest may arise.

Furthermore, the Internal Conduct Regulations of the Repsol Group on the Securities Market, with the same scope of application, contain the conflicts of interest prevention and resolution mechanisms.

### Competence for approving related party transactions

Pursuant to Article 22 bis of the Company Bylaws and Article 23 of the Board of Directors Regulations, any transactions that the Company performs directly or indirectly with Directors, significant shareholders represented on the Board or persons related thereto (i) that are for a sum exceeding 5% of the Group's assets according to the latest consolidated financial statements approved by the General Meeting; (ii) that involve strategic assets; (iii) that involve the transfer of significant technology of the Company; or (iv) that are intended to establish strategic alliances and are not mere agreements of action or execution of existing alliances, can only be performed if they meet the following conditions:

- a) the transaction is fair and efficient from the standpoint of the Company's interests;
- b) after obtaining the corresponding report from an independent expert of renowned prestige in the financial community indicating that the related party transaction will be made on reasonable, arm's length terms, the Nomination Committee issues a report assessing fulfillment of the requirement indicated in (a) above; and
- c) the General Meeting authorizes the related party transactions with a vote in favor of 75% of the share capital attending in person and by proxy. However, if it is considered unadvisable to wait for the next General Meeting to obtain authorization, for reasons of opportunity, and provided the value of the transaction does not exceed 10% of assets, the transaction may be approved by the Board of Directors, provided (i) the report from the Nomination Committee indicated in (b) above is favorable for the transaction, and (ii) the resolution is passed with the favorable vote of at least two-thirds of the Board members not affected by a conflict of interest. In this case, the Board will inform

shareholders at the next General Meeting of the terms and conditions of the transaction.

When calling the General Meeting to discuss or be informed on the authorization of the related party transaction, the Board of Directors will make available to shareholders the reports issued by the Nomination Committee and the independent expert contemplated in (b) above and, should it so deem fit, its own report on the matter.

Other related party transactions must be authorized by the Board of Directors after obtaining a report from the Nomination Committee. On an exceptional basis, and for reasons of urgency, related party transactions that would normally require approval by the Board may be authorized by the Delegate Committee, subject to subsequent ratification by the Board in plenary session.

This authorization is not needed for related party transactions that meet all three of the following conditions:

- a) they are performed under contracts with standard terms and conditions which are applied across the board to a large number of clients;
- b) they are performed at prices or rates generally established by the person acting as supplier of the good or provider of the service in question or, if refers to goods or services for which there are no prices

established, on arm's length terms, similar to those applied in commercial relations with clients of a similar nature; and

- c) the amount of the transaction does not exceed 1% of the Company's annual income.

Related party transactions are assessed from the point of view of equal treatment and arm's length terms and are described in the Annual Corporate Governance Report and the regular public information on the terms set out in the applicable laws and regulations.

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### **Significant related party transactions due to their amount or importance**

Repsol related party transactions are assessed from the point of view of equal treatment and arm's length terms. There are related parties: i) significant shareholders that have that condition (at December 31<sup>st</sup> Sacyr S.A. and Temasek Holdings (Private) Limited) ii) Persons, Companies and Group entities (if there are transactions which are not eliminated during the consolidation process) and iii) Directors and Senior Management.

Note 28 to the Consolidated Group Financial Statements provides information on the incomes, expenses and other transactions recognized in the financial year and the debit and credit balances recorded at December 31<sup>st</sup> for transactions with related parties, including significant shareholders.

## B. The Repsol Corporate Governance System

### 6. Related party and intra-group transactions



#### List of any transactions between the Company or entities of its group and significant shareholders of the Company:

Name of controlling shareholder	Name of company or group Company	Relationship	Type of transaction	Amount (thousand euros)
SACYR, S.A.	REPSOL GROUP	Commercial	Receipt of services	29,133
SACYR, S.A.	REPSOL GROUP	Commercial	Purchase of property and equipment	35,285
SACYR, S.A.	REPSOL GROUP	Corporate	Dividends and other distributed profits	109,462
TEMASEK HOLDINGS (PRIVATE) LIMITED	REPSOL GROUP	Commercial	Purchase of goods finished or not	170,569

#### Transactions with other entities in its group that are not eliminated from the process of preparing the consolidated financial statements and do not form part of the company's normal business

The transactions performed by Repsol, S.A. with the companies in its Group, and between them, form part of the company's normal business operations in terms of their purpose and under market conditions.



#### Between the Company or Group entities with the Company's directors are executives.

Name of directors or executives	Company executives
Name of related party	Repsol Group
Relationship	Contractual
Nature of the transaction	Financing agreements: loans
Amount (thousand euros)	331

In The Note 29 and 30 of the 2019 Consolidated Annual Accounts and in the Remunerations Reports is informed the remunerations with Directors and Senior Management.

## 7. Financial reporting and audits

### 7.1. REQUIRED FINANCIAL REPORTING

The Company's separate and consolidated financial statements that were submitted to the Board of Directors for authorization for issue are first certified by the Chief Executive Officer, Josu Jon Imaz San Miguel, and by the CFO, Antonio Lorenzo Sierra.

The Board of Directors has established mechanisms to prevent the separate and consolidated financial statements prepared from being submitted to the General Meeting with a qualified auditor's report.

To that effect and as mentioned in section B.4.2. the Audit and Control Committee regularly review the preparation of economic and financial reporting, its internal controls and the independence of the external auditor, supervision of Internal Audit, and the compliance with all the legal provisions and internal regulations applicable to the Company.

For that, the Committee regularly receives information from the External Auditor on the audit plan and results of their work, and checks that executive personnel are acting on its recommendations. At least once a year, the External Auditor is also required to assess the quality of the Group's internal control systems regarding financial information. The Committee is also responsible for being informed of any situations requiring adjustments that may be detected over the course of the external auditor's work whenever they are significant, and consideration as such will be left to the discretion of the External Auditor, who, if there is any doubt, must opt to report the issue and notify the Chairman of the Committee as soon as it becomes aware of the situation in question. The Committee must also be informed of the degree of fulfillment by the audit units of the corrective measures recommended by Internal Audit and will be informed of any significant irregularities, anomalies or breaches, provided they are considered significant, detected by Internal Audit in the course of its work.

For such purpose, the members of the Audit and Control Committee have the dedication, skills and experience necessary to carry out their duties; and the Committee's Chairman must have experience in business and risk management and expertise in accounting procedures. Additionally, at least, one of its members must have the financial experience that may be required by the bodies regulating the securities markets on which the Company's shares or securities are listed.

### 7.2. AUDITS

#### External auditor

In 2018 the Company appointed PricewaterhouseCoopers, S.L. as its external auditor for 2018, 2019 and 2020, being year 2019 the second year that this firm audits the Company.

#### Mechanisms to preserve independence of the External Auditor

One of the duties of the Audit and Control Committee consists of ensuring the independence of the External Auditors, in two ways:

- a) Avoiding any factors that may compromise the warnings, opinions and recommendations of the Auditors, and
- b) Overseeing any incompatibilities between auditing services and any others, the limits on concentration of the Auditor's business and, in general, all other rules established to guarantee the Auditor's independence.

The Audit and Control Committee has established a procedure for preliminary approval of all services, auditing or otherwise, provided by the External Auditor, whatever their extent, scope and nature. This procedure is regulated in an Internal Rule that is mandatory for the entire Repsol Group.

Likewise, the Committee must receive annual written confirmation from the External Auditor of its independence towards the Company or entities directly or indirectly related thereto, as well as information on additional services of any kind provided to these entities by the Auditors or by individuals or entities related to them and the fees charged, in accordance with the regulations governing the activity of auditors.

The Committee will issue, prior to the delivery of the auditor's report, an annual report expressing an opinion on the independence of the External Auditor. This report must contain a reasoned assessment of any non-auditing services rendered, considered both individually and as a whole, in relation to the rules governing independence or the regulations of the auditing profession.

On the other hand, part of the meetings with the auditor takes place without the presence of the entity's management, so that the specific issues arising from the reviews carried out can be discussed exclusively with them.

### Other work for the Company carried out by the external auditor

The audit firm carried out other non-audit work for the Company and/or its Group. The amount of the approved fees<sup>22</sup> for this work and the percentage they represent of the approved fees to the Company and/or its Group, for the year 2019:

	Company	Group companies	Total
Amount of non-audit work (thousands of euros) <sup>(1)</sup>	288	449	737
Amount of non-audit work / Amount of audit work (%)	9%	10%	9%

(1) Includes, mainly, the amount of other services related to the audit (verifications and certifications for partners and official bodies, reports for the issuance of obligations and other negotiable securities (Comfort letter), as well as verification of the non-financial information in the management report consolidated).

<sup>22</sup> Amounts approved by the Audit and Control Committee for the year 2019.

### Reservations or qualifications in the auditor's report

The auditor's report on the financial statements for 2019 presented by the External Auditor has been presented without qualifications.

### Number of consecutive years that the auditors have been carrying out the audit

	Separate	Consolidated
No. of consecutive years	2	2
No. of years audited by current audit firm / No. of years that the Company or its Group has been audited (%)	6.06%	6.89%

## 8. Risk control and management

### 8.1. RISK CONTROL AND MANAGEMENT SYSTEMS

The information requested in sections E.1, E.2, E.3, E.4, E.5 and E.6 of Circular 2/2018 is included in “Annex II Risks” of the Consolidated Integrated Report 2019 of Repsol Group, of which this Annual Corporate Governance Report forms part as Annex VII.

### 8.1. SYSTEMS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

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#### Control environment

##### Bodies responsible

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In accordance with the Company Bylaws, the Board of Directors of Repsol, S.A. is the body in charge of governing, directing and managing the businesses and interests of the Company, unless reserved for the General Shareholders Meeting. It focuses on the general function of supervision and the consideration of especially important issues for the Company.

The Board of Directors Regulations define the powers reserved for the Board, such as drafting the separate and consolidated Financial Statements and Management Report and submitting them to the General Shareholders' Meeting. The Board must draw these documents up in clear, precise terms. It must also make sure they give a true and fair view of the equity, financial position and results of the Company and the Group, as stipulated in law. Approval of the risk management and control policy, including tax risks, supervision of internal reporting and control systems, the determination of the Group's fiscal strategy, the definition of the corporate structure and approval of the financial information which Repsol, as a publicly listed company, is obliged to

publish regularly, are also reserved for the Board of Directors.

The Regulations also establish the Board's responsibility for approving the company's ethics and conduct codes, its own organization and functioning and that of the Senior Management, as well as specific duties referring to the Company's activity on the securities market.

The Board of Directors has a direct relationship with the members of Senior Management and the Company's auditors, respecting their independence at all times.

Section B.3.1 of this Report contains information on the structure and composition of the Board of Directors.

The Board of Directors has appointed members to sit on several Committees, such as the Audit and Control Committee, whose main purpose according to the Board of Directors Regulations is to support the Board in its supervisory duties, by regularly reviewing the preparation of economic and financial reporting, the effectiveness of its executive controls and the independence of the external auditors, as well as checking fulfillment of all applicable laws and internal regulations.

All members of the Audit and Control Committee are Independent Non-Executives Directors with accounting, auditing and/or risk management expertise and experience. The Committee Chair also has extensive experience in business, risk and financial management and sound knowledge of accounting procedures. The structure and functioning of this Committee are included in section B.4.2 of this Report, which expressly refers to the system for appointing the Chairman of this Committee.

As established in the Board of Directors Regulations regarding internal control and reporting systems, the Audit and Control Committee is responsible, among other duties, for regularly reviewing the efficacy of the internal control, internal audit and risk management systems, including tax risks, ensuring that the principal risks are identified, managed and reported adequately.

Moreover, according to these Regulations, the Audit and Control Committee is responsible for the following duties related to financial reporting process:

- Supervise the preparation and presentation of mandatory financial reporting on the Company and the Group and its integrity, compliance with legal requirements, adequate definition of the consolidated group and correct application of the accounting principles.
- Before they are presented to the Board and with the necessary requirements of checking that they are correct, reliable, sufficient and clear, analyze the Financial Statements of the Company and its consolidated Group contained in the annual, half-year and quarterly reports, and any other financial information which, as a listed company, the Company is obliged to publish regularly, obtaining all the necessary information with the level of aggregation it considers appropriate, for which it will receive the necessary support from the Group's executive management.
- Ensure that the Financial Statements to be presented to the Board of Directors to be authorized for issue are certified as required by the internal or external regulations applicable from time to time.
- Check all significant changes in the accounting principles used and the presentation of the financial statements and make sure they are adequately publicized.
- Ensure that the Board of Directors submits the financial statements at the General Meeting without any reservations or qualifications in the auditor's report and that in those exceptional cases where there are qualifications, both the Chairman of this Committee and the auditors provide the shareholders with a clear explanation of the scope and contents of the reservations or qualifications.
- Examine draft ethics and conduct codes and modifications thereto, as prepared by the corresponding department of the Group, and issue its prior opinion on the proposals that are to be put to the corporate bodies.
- Take particular care in ensuring compliance with the applicable market conduct regulations and overseeing the actions of the Company's Internal Transparency Committee.
- Supervise the sufficiency, adequacy and efficient functioning of the recording and internal control systems and procedures in the measuring, valuation, classification and accounting of the hydrocarbon reserves of the Repsol Group, ensuring that they are included in the Group's regular financial reporting in accordance with sector standards and applicable laws and regulations.

- Protect the independence and efficacy of internal auditing; and that it has the training and adequate means to perform its functions in the Group; analyze and approve, if appropriate, the annual planning of the Internal Audit Department and obtain information on the extent to which the audited units have implemented the corrective measures recommended by the Internal Audit Department in previous inspections. The Audit and Control Committee reports to the Board any situations that may entail a substantial risk for the Group.

#### Elements of the process of preparing financial information

- **Departments and/or mechanisms responsible for designing and reviewing the organizational structure and defining the lines of responsibility**

The internal regulations assign to the People and Organization Executive Department the duties and responsibilities associated with the study, design, approval and implementation of organizational structures and sizing in the company.

In accordance with these regulations, the organizational structure establishes the hierarchical and functional level for the normal development of the Group's various areas of activity and determines the levels of responsibility, decision and functions of each of the organizational units.

The organizational structure is represented by means of an organization chart and the sizing's define. Approval of a structure requires two approving roles, the line approver and the People and Organization Executive Department, according to the levels established in the regulations.

The organizational principle that governs structure approval is based on the premise that a structure cannot be approved by the person who is directly responsible for it, but rather by their hierarchical superior.

There is also an organizational unit responsible for inputting the approved organizational changes in the computer system, according to the implementation plan defined which makes it possible to ensure compliance with the requirements established as regards internal control.

- **Ethics and Conduct Code and body responsible for ensuring the monitoring and compliance**

Repsol has an Ethics and Conduct Code, approved by the Board of Directors, based on the favorable report of the Audit and Control Committee, the Sustainability Committee and the Ethics and Compliance Committee, which applies to all directors, executives and employees of the Repsol Group. The Code establishes the minimum conduct guidelines that should govern the behavior of all employees when performing their professional duties and the penalty regime applicable in the event of failure to comply with those rules.

The Code contemplates, among others aspects, the basic principles of performance in relation to integrity and conduct, reliability of information and control of records, as well as the processing of sensitive information and intellectual property. It also specifies obligations in relation to human rights, community relations, measures against bribery, corruption, and money laundering and the commitment to carry out activities in accordance with prevailing legislation in all the areas of performance and countries.

The people who join the Company have a Welcome Plan with the aim of achieving their quick adaptation to the team. This Plan includes information on the essential regulations that that every employee should know and respect when they join, regardless of the area or business they will be working in, including a

## B. The Repsol Corporate Governance System

### 8. Risk control and management



direct channel for employee consultations. The framework of this regulation is the Ethics and Conduct Code.

Additionally, communication actions and training courses on the "Code of Ethics and Conduct" are performed to strengthen their knowledge and for their adequate fulfilment. This year, Repsol wanted to go a step further and it has developed a new training action in relation to the Code of Ethics and Conduct for its employees in an innovative and dynamic "web series" format, placing special emphasis on anti-corruption matters and issues related to personal data protection. It should also be highlighted that Repsol has approved new basic regulations developing the content of the Code in relevant aspects this year, such as the management of gifts and entertainment, conflicts of interest and due diligence with third parties.

In addition, employees are involved in communication campaigns and attend training courses on the Ethics and Conduct Code, to strengthen their knowledge and compliance with its contents. In 2019, Repsol has taken a further step forward and developed a new training programme for all employees on the Code of Ethics and Conduct, in an innovative and dynamic web site format, with special emphasis on anti-corruption and personal data protection issues. It should also be noted that this year Repsol has approved new basic regulations that develop the content of the Code in relevant aspects, such as the management of gifts and hospitality, conflicts of interest and due diligence with third parties. Furthermore, Company executives agree to comply with the Executive Personnel Statute attached to their employment contracts. This Statute refers to the principles on which their professional actions must be based, as well the Company's principles of conduct and standards, with special emphasis on the Ethics and Conduct Code.

There is a communications channel, the "Repsol Ethics and Compliance Channel", that allows Company employees and any third party to make consultations or to communicate, among others, possible breaches of the Ethics and Conduct Code

and Crime Prevention Model, confidentially and without fear of reprisal. The channel is managed by an independent company and is available 24 hours a day, 7 days a week, by phone and online.

The Ethics and Compliance Committee oversees and monitors compliance with the Code and is responsible for resolving on the communications considered relevant that are received through the channel.

In accordance with the Regulations of the Ethics and Compliance Committee, the Committee is composed of a multidisciplinary group, including the General Director of Legal Affairs, the General Director of People and Organization, the Corporate Director of Legal Services and Chief Compliance Officer, the Director of Audit, Control and Risks and the Director of Labor Relations, Legal Labor Management and Safety at Work. Eleven policies compose Repsol's regulatory corpus within the framework of its Ethics and Conduct Code. These policies define its public commitment and management fundamentals, establishing principles and guidelines for all Repsol employees for the purpose of fostering relationships, processes and decision-making that align with the Company's values.

These policies include the "Anti-corruption Policy" reiterating Repsol's commitment to strict compliance with legislation on the prevention and fight against corruption, rejecting any form of corruption and extending its compliance not only to all employees of the companies in which the Repsol Group exercises direct or indirect management control, but also to our Business Partners.

Likewise, in its "Third-Party Commercial Relationships Policy", Repsol agrees to ensure that its commercial and business relationships with partners, suppliers, contractors and customers are legal and based on Repsol's ethical principles and values.

Furthermore, Repsol also has a mandatory "Tax Policy" for all of its employees and Group

companies that includes various commitments aimed at ensuring that tax matters are managed according to best tax practices and acting with transparency, including responsible and efficient payment of taxes, the fostering of cooperative relationships with governments and the firm intention to strive to avoid significant risks and unnecessary conflicts.

In addition, there is a "Repsol Group Internal Code of Conduct in relation to the Securities Market", approved by the Board of Directors, with the prior favorable report of the Audit and Control Committee, containing aspects such as the rules of conduct, for people affected by this Regulation, relating to transactions with financial securities and instruments issued by the Group that are traded on securities markets, treatment and communication of insider information, own-share transactions, prohibitions against manipulating stock prices and the treatment and management of conflicts of interest. The Company has formally established mechanisms in those regulations to promote its communication and compliance with its provisions. For these purposes, and pursuant to these Regulations, the Audit and Control Committee is responsible for supervising and the obligations established therein, whereby any failure to comply with its provisions will be considered an act of professional misconduct, the seriousness of which will be determined in the proceedings that follow in accordance with current legislation, without prejudice to any infringement that may arise as a result of contravening any securities market regulations or to any third-party or criminal liability to which the infringing party may be subject.

Finally, in the field of Spanish companies and under the framework of Spanish regulations on the criminal liability of legal entities, the Ethics and Compliance Committee has been appointed as the Crime Prevention Body. Likewise, there is a rule for "Management of the Crime Prevention Model" and another for "Internal Investigations of the Ethics and Compliance Committee", which structures the prevention model and the mechanism to respond

to data on or indications of potential crimes committed with regard to the Repsol Crime Prevention Model or suspected breaches of this Model. In addition, Repsol has a Crime Prevention Manual designed to improve the understanding of criminal risks and the actions and conduct expected of employees, which has been updated this year in line with the recent Crime reform, and with a recurrent dissemination plan. This plan included carrying out new classroom-based training sessions in 2019 for Repsol's new Industrial Complex managers and directors, as well as an online course for those responsible for managing the controls of the Model. Moreover, Repsol has a Criminal Prevention Manual designed to improve the understanding of the criminal risks and the actions and conduct expected of the employees, which has been updated this year in accordance with the recent criminal reform, and with a recurrent disclosure plan. This plan included the holding of new in-person training sessions for new executives and managers of Repsol's Industrial Complexes in 2019, as well as the completion of an online course for the Model controls managers.

- **Ethics and Compliance Channel**

In accordance with the Board of Directors Regulations, the Audit and Control Committee is responsible for establishing a mechanism that allows employees to report confidentially and, if possible, anonymously, irregularities of potential significance, especially of a financial and accounting nature.

In this sense, the Company has an "Ethics and Compliance Channel" through which Company employees and any third party may communicate confidentially and, if possible according to the different jurisdictions, anonymously, any issue related to compliance with the Code of Ethics and Conduct as well as any matters related to accounting, internal control and audit. The channel is managed by an independent company and is available 24 hours a day, 7 days a week, by phone and online.

- **Training programs and regular refresher courses**

Training in Repsol is geared towards developing the professional capacities required for effective performance of the employees' work, supplemented with further training to support and foster progression in their careers. It is based on initiatives intended to structure knowledge, develop skills and foster employees' commitment to the Company's plans, culture and values throughout their careers.

To achieve this, the Company has a broad selection of training activities covering issues ranging from technical aspects, organized specifically for given groups, to other more general aspects, such as management, safety awareness.

Through collaboration between the Repsol Training Center and each of the units of the Group, Repsol ensures the acquisition and updating of essential knowledge to perform the economic administrative, risks management and internal audit and control duties. The training needs are planned to meet both short and medium-term requirements and the corresponding annual plan is drawn up, identifying and paying attention not only to the form of training best suited to each group but also time enabling the Company to monitor the stated objectives and the quality of training given to each employee. As part of this plan, there are actions designed to distribute the internal control models, in particular the System of Internal Control over Financial Reporting (ICFR), to the different people and areas affected by these models.

These needs are met by both internal resources, with training activities designed and given by its own personnel with experience and references in their respective fields, and by reputed firms contracted for their quality and specialization. Other resources are also used, such as conferences, talks, discussion forums, workshops and virtual libraries.

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## Risk assessment in financial reporting

### Features of the risk identification process, including risks of error or fraud

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- **Risk identification process**

The Repsol Group has an integrated risk management process as indicated in section 8.1 of this Report. This process establishes a homogenous methodology of risk identification and assessment by all responsible divisions in the organization. As a result of the described process, the Repsol Group Risk Map was created, which includes financial reporting risks.

The identification of the principal risks that could affect the financial reporting objectives related to existence or occurrence, integrity, valuation and assignment, presentation and disclosure of operations, rights and obligations and which could therefore have a material impact on the reliability of the Group financial reporting leads to the development of a Risk Map of Financial Reporting, in which the various risks are grouped into the following categories:

- Definition of the general control environment
- Regulatory changes
- Valuations subject to analysis and complex estimates
- Capture, analysis, evaluation and recording of business transactions
- Preparation of consolidated financial statements
- Economic and financial information requirements

The risk of fraud in financial reporting, which is part of the inventory of financial reporting risks in the category of “General Control Environment” is analyzed precisely because of its relevance to the design, implementation and evaluation of the internal control model. This analysis is made taking account mainly of the references to consideration of fraud in risk assessment established within COSO 2013 (“Assesses Fraud Risk” Principle 8) and by the American Institute of Certified Public Accountants (AICPA) in its document “Consideration of Fraud in a Financial Statement Audit”, Section 316 (Standard Auditing Statement 99). As a result of this analysis, the following categories of causal factors for financial reporting fraud risk have been defined:

- Inadequate control environment.
- Intentional error on the financial statements
- Asset misappropriation.

- **Scope and updates**

The process of identifying and evaluating financial reporting risks covers all financial reporting objectives related to existence or occurrence, integrity, valuation and assignment, presentation and disclosure of operations, and rights and obligations, that may have a significant impact on the reliability of the financial reporting.

Each of the aforementioned risk categories consists, in turn, of one or more specific risks, which are linked to the corresponding headings of the financial statements, the respective processes and to the different companies of the Group.

Lastly, the potential impact of each of the financial reporting risks is assessed, as well as the probability of their occurrence. From these two factors, the severity of each of the risks is established.

The risk inventory and the assessment of these risks in terms of impact and probability is reviewed on an annual basis in accordance with the Repsol Group's integrated risk management process, as indicated in Annex II regarding risks of the 2019 Consolidated Integrated Report.

- **Process for identifying the scope of consolidation**

There is a process in place for identifying changes in shareholding structure of Group companies. Once the changes are reported, the control structure is analyzed on the basis of the applicable accounting standards and principles in order to determine which consolidation method should be used for that company.

From the scope of consolidation and in coordination with the process of identification and regular updating of the inventory of financial reporting risks, a ICFR Scope Model is determined, along with the and companies that should be included in the scope on account of their relevance and materiality. This identification is made on the basis of both quantitative and qualitative criteria.

The determination of companies that are part of the model takes into account those in which control is exercised directly or indirectly. For these purposes, an investor is deemed to control an investee when it is exposed, or has rights, to variable returns from its involvement in the Group and has the ability to affect those returns through its power over the investee. Therefore, companies in which there is joint control are not included in the model, since the strategic decisions require the unanimous consent of the parties sharing control. However, controls are established in the model to ensure the homogeneity, validity and reliability of the financial information validated by them for incorporation into the consolidated financial statements.

- **Other types of risks**

In the process of identifying and evaluating financial reporting risk, the Repsol Group considers other types of risk that could have a relevant impact on the attainment of the organization's operational and

strategic goals, such as compliance, insofar as these may have a significant effect on the preparation of financial statements.

- **Body in charge of supervising the process**

The Board of Directors reserves the power to approve the risk management and control policies, including financial reporting and tax risks, and to supervise internal information and control systems.

In accordance with the Board of Directors Regulations of Repsol, the Audit and Control Committee periodically reviews the efficiency of internal control, internal audit and risk management systems, including tax risks, so as to identify, manage and properly communicate the main risks.

The Executive Committee approves the governance elements required within the area of risk management, oversees their correct application and monitors the Company's performance in respect of risks.

The Internal Audit Unit is responsible for evaluating the design and operation of the Group's risk management systems.

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## Control activities

### Procedures for reviewing and authorizing the financial information and description of the ICFR system

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The Repsol Group has a system of Internal Control over Financial Reporting (ICFR) that allows it to meet the requirements established by the applicable regulations for listed companies.

The ICFR model is defined from the COSO (2013) methodological framework (Committee of Sponsoring Organizations of the Treadway Commission) contained in its report, Internal Control-Integrated Framework, for the purpose of ensuring that all transactions are properly accounted for in accordance with the accounting framework, providing reasonable assurance of the prevention or

detection of errors that could have a material impact on the information in the consolidated financial statements. This financial reporting internal control model is organized around an integrated process that includes the five components developed in seventeen principles, as established in the COSO 2013 framework.

1. The existence of an adequate **control environment**.
2. The identification, analysis and **assessment of risks**
3. The definition and implementation of **control activities** to mitigate the identified risks.
4. **Reporting and communication** to facilitate understanding and the assumption of risk control responsibilities.
5. **Supervision of system operations** in order to evaluate their design, performance quality, adaptation, implementation and effectiveness.

The ICFR system is integrated in the organization through the establishment of structure of roles and responsibilities for the different bodies and functions, which are described in procedures that have been duly approved and distributed within the Group. In addition to what's indicated above regarding the processes for checking and authorization of financial reporting by the Board of Directors and the Audit and Control Committee, below are detailed the other **governance bodies and organizational units of the Group assigned relevant roles on this matter**:

- ***Chief Executive Officer (CEO) and Chief Financial Officer (CFO).***

All owners of the controls comprising the ICFR system, in relation to compliance with the requirements established in terms of internal control, certify that all controls associated with processes and risks, of which they are owners, are in force at the closing of the fiscal year and operate properly on that date. This is an annual certification process that concludes with a certificate issued by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

- **Internal Transparency Committee:**

The purpose of the Internal Transparency Committee is to promote and strengthen the policies necessary to ensure that the information provided to shareholders, the markets and regulatory authorities is true and complete, adequately reflects the Company's financial position and the results of its operations and is presented in a timely manner and in accordance with the other requirements established in the standards and general principles for markets and good governance applied by the Company. This Committee provides support and assistance to the Chairman of the Board of Directors and the Chief Executive Officer.

According to the Regulations on the Internal Transparency Committee, it is assigned the following duties, among others:

- Supervising the establishment and maintenance of procedures for compiling the information to be published by the Company according to the applicable laws and regulations or which it reports generally to the markets, and all controls and procedures established to make sure that (i) the information is promptly and accurately recorded, processed, summarized and reported, and (ii) the information is compiled and reported to the Group's Senior Management, enabling them to decide in advance on the information that should be published, proposing such improvements as they may deem fit.
- Checking and assessing the accuracy, reliability, adequacy and clarity of the information contained in the documents to be presented publicly, especially any disclosures to be made to the regulating authorities and brokers on the securities markets in which the Company's shares are traded.

The Internal Transparency Committee is made up of the heads of the units responsible for the economic, tax, legal, communication, strategy, audit and control, investor relations, corporate governance, reserves control, management control and planning, people and organization and the different business areas.

- **Business Units and Corporate Areas identified as "owners of the controls":**

Within the Group, the different Business Units and Corporate Areas identified as "owners of the controls" are those responsible for ensuring the validity, execution and adequate functioning of the controls associated therewith. Of these, the Units with an especially important role in the development, maintenance and functioning of the ICFR system are:

- The Unit that prepares the financial statements and economic-financial reporting, the inventory of controls and processes of the ICFR system required to guarantee the reliability of the financial information, without prejudice to those that may be added or rectified by the Audit, Control and Risks Division, as a result of its process of defining and assessing the Group ICFR system.
- The Unit that guarantees fulfillment of tax obligations, tax counseling, monitoring, evaluation and implementation of changes in law and regulations, identification, control, monitoring, assessment and management of tax risks, and tax information for the financial statements. Moreover, according to the Code of Best Tax Practices (Repsol signed the Code of Best Tax Practices on 23 September 2010), Law 31/2014, which amended the Corporate Enterprises Act for enhanced corporate governance, and the Repsol's Group Tax Policy, the Board of Directors, as part of its powers that may not be delegated regarding tax matters, verifies that the Company's tax policies are being properly applied on a yearly basis.

## B. The Repsol Corporate Governance System

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- The Unit that monitors, analyzes, reviews and interprets the accounting standards contained in the regulatory framework applicable to the Group.
- The Units that guarantee the efficient use of financial resources, optimization of financial earnings and an adequate monitoring and control of financial, market and credit risks so as to ensure the continuity and development of business plans.
- The Unit that establishes the criteria for defining the organizational structure and sizing of the Group and sets the guidelines and criteria governing development of the internal regulatory framework and defines the Annual Training Plan.
- The Unit that ensures that the estimates of the Group's proven reserves of hydrocarbons conform to the regulations issued by the different securities markets on which the Company's shares are listed, makes the internal audits of reserves, coordinates the certificates of the external auditors of reserves and assesses the quality controls regarding information on reserves.
- The Units responsible for legal and tax affairs in the Group, which provide legal counseling, legal defense and handling of its legal affairs in all contentious proceedings and processes, providing legal support for the Group's actions, rights and expectations with a view to giving them legal security and efficacy and minimizing possible legal risks.
- The Units that define the guidelines, criteria and indicators of management control monitors the business activities and the approved investments and oversees compliance with the commitments assumed, proposing corrective measures as needed.

- ***Processes, activities and controls***

The ICFR system documents basically comprise the following:

- Financial reporting risk map
- Scope model
- Documentation for processes through the ICFR system
- Inventory of controls identified in the different processes
- Outcome of assessing the design and functioning of the controls
- Certificates of validity and effectiveness of the controls issued for each financial year

The ICFR model is supported by a set of standards and procedures and is described in the Internal Control over Financial Reporting Manual.

The system of internal control over financial reporting is articulated through a process which, based on the identification and evaluation of financial reporting risks, defines a scope model that includes the most important headings in the financial statements, the companies affected, the relevant processes involved in preparing, reviewing and subsequently distributing the financial information and the control activities intended to prevent and detect potential errors, including fraud.

In order to define the companies involved, the first step is to update the list of consolidated companies. The ICFR includes operating controls for those companies that are directly or indirectly controlled by Repsol. For all other relevant non controlled companies not included in the scope of consolidation, it also includes controls designed to protect the homogeneity, validity and reliability of the financial information submitted by the companies for inclusion in the consolidated financial statements.

For each one of the relevant processes and companies included on the consolidation list, the significant financial reporting risks are identified along with the control activities to mitigate those risks.

The following controls are distinguished in the ICFR system:

- **Manuals:** those carried out by human actions, using computerized tools or applications.
- **Automatic:** those carried out with computerized tools or applications.
- **General computer controls:** those that reasonably guarantee the reliability, integrity, availability and confidentiality of the information contained in applications relevant to the financial reporting.

As well, these three types of controls are characterized as:

- **Preventive:** created to prevent errors or cases of fraud that could result in an error in the Repsol Group's financial reporting.
- **Detective:** their goal is to detect existing errors or cases of fraud that could result in an error in the Repsol Group's financial reporting.
- **Relevant judgements, estimates, valuations and forecasts**

The financial reporting process sometimes requires making judgements and estimations, which may affect the amount of assets and liabilities recognized, the presentation of contingent assets and liabilities and the recognized income and expenses. These estimates may be affected, among other causes, by changes in competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions.

In this regard, the Group identifies responsible areas and establishes uniform criteria for judgments, estimates and valuations in the processes considered relevant for the preparation of financial information. Specifically, and in accordance with that set forth in Note 3 "Estimates and judgements" of the Repsol Group's Consolidated Financial Statements for 2019, they include those relating to reserves of crude oil and gas, business combinations, assessment of the

investments in Venezuela, provisions for litigation, decommissioning and other contingencies, calculation of income tax and deferred tax assets and liabilities, impairment tests and the recoverable value of assets, and the market value of financial instruments. The results of these estimates are reported to the management and governance bodies of the Group.

In addition, the aforementioned bodies are regularly informed of any business affecting its business development and which could have a material effect on the Group's financial statements. It also periodically monitors the main variables which have or may have an impact, directly or through estimates and judgements, in quantifying assets, liabilities, income and expenses of the Group.

#### **Internal control policies, regulations and procedures for financial information systems that support the relevant processes for the preparation and publication of the financial information.**

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The Repsol Group has a specific body of regulations in its IT Systems area based on ISO 27001, laying down the general principles for the different processes in that area.

Considering that the Group's transaction flows are mainly made through IT Systems, an Information Systems Control Framework, consisting of a set of controls called "general computer controls", has been established which reasonably guarantee the trustworthiness, integrity, availability and confidentiality of the information contained and processed in the relevant applications for financial reporting.

The systems linked to the process of preparing financial information conform to the security standards established in the regulations and are audited to ensure proper functioning of the Information Systems Control Framework by validating its constituent general computer controls.

These general computer controls grouped into the areas of: access security, life cycle systems, and process of assuring the validity of data and assurance operations, help to guarantee that several control targets are obtained within the ICFR system assessment, since they have the following features:

- Contribute towards ensuring the precision, accuracy and validity of the transactions executed in the applications, since they are integrated in the logics of those applications in order to prevent and/or detect unauthorized transactions.
- They are applied to the interfaces with other systems, in order to check that information input is complete and precise, and that output is correct.

The scope of the general computer controls covers applications relevant for financial reporting and infrastructure elements that serve these applications (e.g. technical platforms, servers, databases, data processing centers, etc.).

The Repsol Group has developed a segregation of duties model in the systems for preventing and reducing the risk of errors (intentional or otherwise), especially the fraud factor in the financial reporting process. Incompatibility matrices have been installed in the applications used by the relevant processes covered by the ICFR system, with which it is possible to monitor conflicts continuously and detect cases in which the functions are not exercised according to defined profiles. Once the conflicts have been identified, remediation plans are defined for them, aimed in some cases at adapting the security profiles and roles that cause these conflicts and in other cases at identifying and implementing mitigating controls that guarantee adequate coverage of the risks associated with these conflicts. Once the conflicts have been identified, remediation plans are defined, aiming, in some cases, to align the security profiles and roles that cause these conflicts and, in others, to identify and implement mitigating controls guaranteeing the adequate coverage of the risks associated with those conflicts.

#### **Internal control policies and procedures for supervising management of the activities subcontracted to third parties and any aspects of assessment, calculation or valuation outsourced to independent experts, which may affect materially to the financial statements**

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The Repsol Group has a procedure for identifying, establishing control criteria and supervising the activities of third party subcontractors in different business processes. According to this procedure, the group analyzes the types of activities carried out by these suppliers and their impact and draws conclusions as to whether the activities have a material impact on the financial statements from the following perspectives:

- Significant transactions for the Group's financial statements.
- Manual or automated procedures for initiating, recording, processing or reporting significant transactions from the beginning until they are included in the financial statements.
- Manual or automatic accounting records that support the collection, recognition, processing and reporting of specific transactions, information or accounts on the Group's financial statements.
- Relevant information systems for capturing significant events and conditions for inclusion in the operating results and preparation of the financial statements.
- Financial reporting process used to prepare the financial statements, including the accounting estimates and the disclosure of significant information.

Once the subcontracted activities that can have a material effect on the financial statements have been identified, the internal controls of the services rendered are supervised to ensure their adequacy. In this regard, in accordance with the COSO 2013 methodology and ISA 402 (International Standard on Auditing), the Repsol Group adapts based on the characteristics of the supplier or third party subcontracted, carrying out supervision tasks based on the following approaches:

- Request independent auditors' reports from third party subcontractors to obtain relevant information on their internal control systems. Some examples of the reports include SOC (Service Organization Control) under Standard SSAE 16 of the American Institute of Certified Public Accountants (AICPA) or standard ISAE

3402 (International Standards on Assurance Engagements 3402).

- Understanding on the part of the user of the service of the nature of the service and identification of mitigating controls within the financial reporting process of the Repsol Group.
- Conduct independent evaluations of the supplier's internal control systems.

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## Information and communication

### Units responsible for the accounting policies

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The Group has a Unit responsible for monitoring, analyzing and reviewing the accounting principles and policies established in the regulatory framework that applies to the preparation of financial statements, analyzing and answering consultations on their interpretation and adequate application. The organizational units involved in preparing financial information are periodically informed of any new aspects of accounting techniques and regulations and the outcome of the different analyzes made.

There are also accounting principles manuals, which establish the accounting standards, policies and principles applied by the Group. These manuals are revised and updated periodically and whenever there is a material change in the applicable regulations. The manuals are available on the internal communication network.

In 2019, the Group's accounting manuals were updated as a result mainly of changes in International Financial Reporting Standards adopted by the European Union and of mandatory application from 1 January 2019.

### Mechanisms for collecting and preparing financial information

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The Group has integrated IT systems for both recognizing transactions in the accounts and preparing the separate and consolidated financial statements. It also has processes for centralized coding and parameterization processes which, together with the accounting principles manuals, guarantee the integrity and homogeneity of the information. Finally, there are also tools used for processing the information in order to obtain and prepare the breakdowns provided in the notes to the financial statements. The systems linked to the preparation and reporting of financial information meet the security standards established by the general computer controls defined for IT systems. (See section 8.2. of this report regarding the internal policies and procedures over information systems).

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### Supervision of the functioning of the system

#### Role of the Audit Committee, internal audit function, scope of ICFR assessment and action plans

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According to the Board of Directors Regulations, the Audit and Control Committee is responsible for supervising the assessment and presentation, as well as the integrity of the financial information on the Company and the Group, checking compliance with legal provisions, adequate definition of the consolidated group and correct application of the accounting principles, and regularly checking the effectiveness of the internal control, internal audit and risk management systems, including tax risks, ensuring that the principal risks, are identified, managed and reported adequately.

The Audit and Control Committee also analyzes and approves, where appropriate, the annual planning of the Internal Audit Department and other occasional or specific additional plans required as a result of changes in legislation or the needs of the business organization of the Group.

The annual planning of the Internal Audit Department is structured to assess and supervise the correct functioning and adequacy of the Group's internal control and risk management systems (operational, strategic, financial and compliance).

The Audit, Control and Risks Division reports to the Audit and Control Committee and performs its duties established in international standards in line with the best market practices, as well as the requirements of the different regulatory frameworks applicable in the countries in which the Repsol Group has businesses and activities. It has a "Quality Assurance and Enhancement Plan", assessed regularly, to assure quality in its duties, the results of which are reported to the Audit and Control Committee.

The Audit, Control and Risks Division is responsible for seeing that the design and functioning of the Internal Control and Risk Management Systems in the Group are reasonable and adequate, contributing towards their improvement and covering the following control objectives:

- Any risks that may affect the organization are adequately identified, measured, prioritized and controlled in accordance with that established in the Risks Policy signed by the Board of Directors.
- Transactions are efficient and effective.
- Transactions are made in compliance of applicable laws, regulations and contracts and prevailing policies, rules or procedures.
- The assets are adequately protected and reasonably controlled.
- The most significant financial, management and operating information is prepared and reported adequately.

The Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective measures proposed and the degree of compliance with these measures. This Division provides support for any significant irregularities, anomalies or non-compliance on the part of the audited units, reporting any cases that may entail a significant risk for the Group to the Board of Directors.

With regard to the System for Internal Control over Financial Reporting (ICFR), the Audit, Control and Risks Division provides support in the ICFR supervisory tasks carried out by the Board of Directors, the Audit and Control Committee and the Internal Transparency Committee and notifies the owners of the controls of any weakness or incident detected in the process of updating and assessing the ICFR system.

After the reporting date, the Audit, Control and Risks Division informs the Internal Transparency Committee, the Audit and Control Committee and the Board of Directors on the outcome of the ICFR system assessment and any defects found during the assessment.

The Audit, Control and Risks Division has assessed the effectiveness of the ICFR system corresponding to 2019, and did not find any significant or material weaknesses, concluding that it is effective, in accordance with the criteria established by COSO 2013.

#### **Procedure for discussion with Senior Management, the Audit Committee and the Company's directors regarding any significant internal control weaknesses identified during the review processes and action plans**

As indicated in a section below of this Report, the Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective

measures proposed and the degree of compliance with these measures.

One of the duties of the Audit and Control Committee is to establish appropriate relations with the External Auditor to receive regular information on the audit plan and the results of its implementation, and on any other issues concerning the audit process and corresponding rules and regulations. It also verifies that the management team bears in mind the recommendations made by the External Auditor.

The Audit and Control Committee also requires the External Auditor periodically, at least once a year, to assess the quality of the internal control procedures and systems and discuss with it any significant weaknesses detected during audit, and requests the External Auditor's opinion on the effectiveness of the ICFR system. In this regard, the external auditor carried out its review of reasonable assurance on the design and effectiveness of the ICFR system for 2018 as well as the description of this system included in this Report.

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### **External auditor's report**

The Group submitted for review by the External Audit (PricewaterhouseCoopers Auditores, S.L.) the design and effectiveness of the System of Internal Control over Financial Reporting (ICFR), in relation to the financial information contained in the Repsol Group's consolidated financial statements at December 31, 2019, and the description thereof included in this Report.

## Appendix I: Analysis of compliance with the recommendations of the Good Governance Code for Listed Companies

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 1</b></p> <p>The bylaws of listed companies should not limit the maximum number of votes that may be cast by a single shareholder or impose other obstacles to the takeover of the company by means of share purchases on the market.</p>	X				
<p><b>Recommendation 2</b></p> <p>When the parent company and a subsidiary are listed, they should both provide detailed disclosure on:</p> <p>a) The type of activity they engage in and any business dealings between them, and between the listed subsidiary and other group companies.</p> <p>b) The mechanisms in place to resolve any conflicts of interest.</p>				X	
<p><b>Recommendation 3</b></p> <p>During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:</p> <p>a) Changes taking place since the previous annual general meeting.</p> <p>b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.</p>	X				
<p><b>Recommendation 4</b></p> <p>The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.</p> <p>This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 5</b></p> <p>The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emption rights for an amount exceeding 20% of capital at the time of such delegation.</p> <p>When a board approves the issuance of shares or convertible securities without pre-emption rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.</p>	X				
<p><b>Recommendation 6</b></p> <p>Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:</p> <p>a) Report on auditor's independence.</p> <p>b) Reviews of the operation of the audit committee and the appointments and remuneration committee.</p> <p>c) Audit committee report on related party transactions.</p> <p>d) Report on corporate social responsibility policy.</p>	X				
<p><b>Recommendation 7</b></p> <p>The company should broadcast its general meetings live on the corporate website.</p>	X				
<p><b>Recommendation 8</b></p> <p>The audit committee should strive to ensure that the board of directors can present the company's accounts to the general meeting without reservations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.</p>	X				
<p><b>Recommendation 9</b></p> <p>The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.</p> <p>Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 10</b></p> <p>When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:</p> <ul style="list-style-type: none"> <li>a) Immediately circulate the supplementary items and new proposals.</li> <li>b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.</li> <li>c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.</li> <li>d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.</li> </ul>				X	
<p><b>Recommendation 11</b></p> <p>In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.</p>				X	
<p><b>Recommendation 12</b></p> <p>The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value.</p> <p>In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.</p>		X			
<p><b>Recommendation 13</b></p> <p>The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.</p>				X	

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 14</b></p> <p>The board of directors should approve a director selection policy that:</p> <ul style="list-style-type: none"> <li>a) Is concrete and verifiable;</li> <li>b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and</li> <li>c) Favors a diversity of knowledge, experience and gender.</li> </ul> <p>The results of the prior analysis of board needs should be written up in the Nomination Committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.</p> <p>The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.</p> <p>The Nomination Committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.</p>	X				
<p><b>Recommendation 15</b></p> <p>Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the ownership interests they control.</p>	X				
<p><b>Recommendation 16</b></p> <p>The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion of the capital represented on the board by these directors to the remainder of the company's capital.</p> <p>This criterion can be relaxed:</p> <ul style="list-style-type: none"> <li>a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.</li> <li>b) In companies with a plurality of shareholders represented on the board but not otherwise related.</li> </ul>	X				
<p><b>Recommendation 17</b></p> <p>The number of independent directors should be at least half of all board members.</p> <p>However, when the company does not have a large market capitalization, or when a large cap company has shareholders individually or concertedly controlling over 30% of capital, independent directors should occupy, at least, a third of board places.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 18</b></p> <p>Companies should disclose the following director particulars on their websites and keep them regularly updated:</p> <ul style="list-style-type: none"> <li>a) Professional experience and background.</li> <li>b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.</li> <li>c) Statement of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or with whom they have ties.</li> <li>d) Dates of their first appointment as a board member and subsequent re-elections.</li> <li>e) Shares held in the company, and any options on the same.</li> </ul>	X				
<p><b>Recommendation 19</b></p> <p>Following verification by the Nomination Committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.</p>				X	
<p><b>Recommendation 20</b></p> <p>Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.</p>				X	

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 21</b></p> <p>The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the Nomination Committee.</p> <p>In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.</p> <p>The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.</p>	X				
<p><b>Recommendation 22</b></p> <p>Companies should establish rules obliging directors to disclose any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.</p> <p>The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.</p>	X				
<p><b>Recommendation 23</b></p> <p>Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.</p> <p>When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.</p> <p>The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.</p>				X	

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<b>Recommendation 24</b> Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.	X				
<b>Recommendation 25</b> The Nomination Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.  The board of directors regulations should lay down the maximum number of company boards on which directors can serve.	X				
<b>Recommendation 26</b> The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.	X				
<b>Recommendation 27</b> Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.	X				
<b>Recommendation 28</b> When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.				X	
<b>Recommendation 29</b> The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.	X				
<b>Recommendation 30</b> Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programs when circumstances so advise.	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 31</b></p> <p>The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.</p> <p>For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.</p>	X				
<p><b>Recommendation 32</b></p> <p>Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.</p>	X				
<p><b>Recommendation 33</b></p> <p>The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.</p>	X				
<p><b>Recommendation 34</b></p> <p>When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or deputy chairmen; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.</p>	X				
<p><b>Recommendation 35</b></p> <p>The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 36</b></p> <p>The board in plenary session should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:</p> <ul style="list-style-type: none"> <li>a) The quality and efficiency of the board's operation.</li> <li>b) The performance and membership of its committees.</li> <li>c) The diversity of board membership and competences.</li> <li>d) The performance of the chairman of the board of directors and the company's chief executive.</li> <li>e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.</li> </ul> <p>The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the Nomination Committee.</p> <p>Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Nomination Committee.</p> <p>Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.</p> <p>The process followed and areas evaluated should be detailed in the annual corporate governance report.</p>	X				
<p><b>Recommendation 37</b></p> <p>When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.</p>	X				
<p><b>Recommendation 38</b></p> <p>The board of directors should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.</p>	X				
<p><b>Recommendation 39</b></p> <p>All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 40</b></p> <p>Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.</p>	X				
<p><b>Recommendation 41</b></p> <p>The head of the unit handling the internal audit function should present an annual work program to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 42</b></p> <p>The audit committee should have the following functions over and above those legally assigned:</p> <p>1. With respect to internal control and reporting systems:</p> <ul style="list-style-type: none"> <li>a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.</li> <li>b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programs, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.</li> <li>c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.</li> </ul> <p>2. With regard to the external auditor:</p> <ul style="list-style-type: none"> <li>a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.</li> <li>b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.</li> <li>c) Ensure that the company reports any change in the external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons behind them.</li> <li>d) Ensure that the external auditor has a yearly meeting with the board in plenary session to inform it of the work undertaken and developments in the company's risk and accounting positions.</li> <li>e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.</li> </ul>	X				
<p><b>Recommendation 43</b></p> <p>The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior manager.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 44</b></p> <p>The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyze the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.</p>	X				
<p><b>Recommendation 45</b></p> <p>Risk control and management policy should identify at least:</p> <p>a) The different types of financial and non-financial risk (including operational, technological, financial, legal, social, environmental, political and reputational risks) that the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.</p> <p>b) The determination of the risk level the company sees as acceptable.</p> <p>c) The measures in place to mitigate the impact of the identified risks, should they occur.</p> <p>d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.</p>	X				
<p><b>Recommendation 46</b></p> <p>Companies should establish an internal risk control and management function, performed by one of the company's internal units or departments, and under the direct supervision of the audit committee or, where applicable, some other dedicated board committee. This function should be expressly charged with the following responsibilities:</p> <p>a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks to which the company is exposed are correctly identified, managed and quantified.</p> <p>b) Participate actively in the preparation of risk strategies and in key decisions about their management.</p> <p>c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy defined by the board of directors.</p>	X				
<p><b>Recommendation 47</b></p> <p>Appointees to the appointments and remuneration committee – or of the Nomination Committee and the remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 48</b></p> <p>Large cap companies should operate separately constituted appointment and remuneration committees.</p>	X				
<p><b>Recommendation 49</b></p> <p>The Nomination Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.</p> <p>When there are vacancies on the board, any director may approach the Nomination Committee to propose candidates that they might consider suitable.</p>	X				
<p><b>Recommendation 50</b></p> <p>The remuneration committee should operate independently and have the following functions in addition to those assigned by law:</p> <ul style="list-style-type: none"> <li>a) Propose to the board the standard conditions for senior manager contracts.</li> <li>b) Monitor compliance with the remuneration policy set by the company.</li> <li>c) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company.</li> <li>d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.</li> <li>e) Verify the information on director and senior managers' pay contained in corporate documents, including the annual report on directors' remuneration.</li> </ul>		X			
<p><b>Recommendation 51</b></p> <p>The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior managers.</p>		X			

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 52</b></p> <p>The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:</p> <ul style="list-style-type: none"> <li>a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.</li> <li>b) They should be chaired by independent directors.</li> <li>c) The board should appoint the members of such committees having regard to the knowledge, skills and experience of its directors and the remit of each committee, and discuss their proposals and reports; and the committees should report the business transacted and account for the work performed at the first board plenary session following each committee meeting.</li> <li>d) They may engage external advice, when they feel it necessary for the discharge of their functions.</li> <li>e) Meeting proceedings should be minuted and a copy made available to all board members.</li> </ul>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 53</b></p> <p>The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the Nomination Committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organization, with at the least the following functions:</p> <ul style="list-style-type: none"> <li>a) Monitor compliance with the company's internal codes of conduct.</li> <li>b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.</li> <li>c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.</li> <li>d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.</li> <li>e) Monitor corporate social responsibility strategy and practices and assess their degree of fulfillment.</li> <li>f) Monitor and evaluate the company's interaction with its stakeholders.</li> <li>g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.</li> <li>h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.</li> </ul>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 54</b></p> <p>The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholders, specifying at least:</p> <ul style="list-style-type: none"> <li>a) The goals of its corporate social responsibility policy and the support instruments to be deployed.</li> <li>b) The corporate strategy with regard to sustainability, the environment and social issues.</li> <li>c) Specific practices in matters related to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.</li> <li>d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.</li> <li>e) The mechanisms for supervising non-financial risk, ethics and business conduct.</li> <li>f) Channels for stakeholder communication, participation and dialogue.</li> <li>g) Responsible communication practices that prevent the manipulation of information and protect the company's honor and integrity.</li> </ul>	X				
<p><b>Recommendation 55</b></p> <p>The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.</p>	X				
<p><b>Recommendation 56</b></p> <p>Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.</p>	X				
<p><b>Recommendation 57</b></p> <p>Variable remuneration linked to the company's profit and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.</p> <p>The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.</p>	X				

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 58</b></p> <p>In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure such remuneration reflects the professional performance of the beneficiaries and not simply the general performance of the markets or the company's sector or other similar circumstances.</p> <p>In particular, variable remuneration items should meet the following conditions:</p> <p>a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.</p> <p>b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.</p> <p>c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.</p>	X				
<p><b>Recommendation 59</b></p> <p>A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.</p>	X				
<p><b>Recommendation 60</b></p> <p>Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.</p>				X	
<p><b>Recommendation 61</b></p> <p>A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.</p>	X				
<p><b>Recommendation 62</b></p> <p>Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.</p> <p>The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.</p>		X			

Recommendation	Complies	Partially complies	Explanation	Not applicable	Explanation
<p><b>Recommendation 63</b></p> <p>Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.</p>	X				
<p><b>Recommendation 64</b></p> <p>Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.</p>		X			<p>This recommendation was added to the Code of Good Governance of Listed Companies by agreement of the CNMV Council of February 18, 2015. Since then Repsol has been considering that the Company complies with said recommendation, as it was also included annually in the following Directors' Remuneration Reports and have done everything in their hand in order to comply: (i) on February 25, 2014, the Board of Directors of Repsol, SA approved settlement of a limit of two years compensation for the severance payment of the new executive directors that could be appointed from then; and (ii) in compliance with said commitment, the contractual conditions agreed upon subsequently and, particularly, with the CEO of Repsol in April 2014, include the limit for severance payment of two years of the annual fixed and variable remuneration.</p> <p>The contract of the Director General Secretary was signed in 2005, and its conditions - which have been detailed in each Annual Report on Directors' Remuneration and that included a higher compensation than two years - therefore respond to the circumstances in force then. In relation to this Recommendation, the Company did not have any freedom of action regarding said contract, which is the very essence of any "recommendation" and of the "comply or explain" principle.</p> <p>Notwithstanding the above, after the conversations held with the CNMV about the degree of follow-up by Repsol of this recommendation and in accordance with its criteria, we proceed to indicate that its follow-up has been partial until the end of fiscal year 2019 (date on which produced the termination of the contract mentioned in the previous paragraph) and that in the same sense modifies the criteria set out in the Annual Corporate Governance Reports corresponding to the 2015 and following fiscal years.</p>





**Repsol, S.A.**

Independent reasonable assurance report  
on the design and effectiveness of the  
internal control over financial reporting (ICFR)  
as at December 31, 2019



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Independent reasonable assurance report on the design and effectiveness of the internal control over financial reporting (ICFR)

To the Board of Directors of Repsol, S.A.:

We have carried out a reasonable assurance report of the design and effectiveness of the Internal Control over Financial Reporting (hereinafter, ICFR) and the description of it that is included in the attached Report that forms part of the corresponding section of the Annual Corporate Governance Report of the Directors Report accompanying the consolidated financial statements of Repsol, S.A. and investees comprising the Repsol Group (hereinafter, the Repsol Group) as at December 31, 2019. This system is based on the criteria and policies defined by the Repsol Group in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report.

An Internal Control over Financial Reporting is a process designed to provide reasonable assurance over the reliability of financial information in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail; (ii) provide reasonable assurance as to the proper recognition of transactions to make it possible to prepare the financial information in accordance with the accounting principles and standards applicable to it and that they are made only in accordance with established authorizations; and (iii) provide reasonable assurance in relation to the prevention or timely detection of unauthorised acquisitions, use or sales of the Group's assets that could have material effect on the financial information.

### Inherent Limitations

In this regard, it should be borne in mind that, given the inherent limitations of any Internal Control over Financial Reporting, regardless of the quality of the design and operation of the system, it can only allow reasonable, but not absolute security, in relation to the objectives it pursues, which may lead to errors, irregularities or fraud that may not be detected. On the other hand, the projection to future periods of the evaluation of internal control is subject to risks such that said internal control being inadequate as a result of future changes in the applicable conditions, or that in the future the level of compliance of the established policies or procedures may be reduced.

### Director's responsibility

The Directors of Repsol, S.A. are responsible for taking the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate Internal Control over Financial Reporting, as well as the evaluation of its effectiveness, the development of improvements to that system and the preparation and establishment of the content of the information relating to the ICFR attached.

### Our Responsibility

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the Repsol Group Internal Control over Financial Reporting, based on the work we have performed and on the evidence we have obtained. We have performed our reasonable assurance engagement in accordance with "International Standard on Assurance Engagements 3000 (ISAE 3000)" (Revised), "Assurance Engagements other than Auditing or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).



A reasonable assurance report includes the understanding of the Internal Control over Financial Reporting, assessing the risk of material weaknesses in the internal control, that the controls are not properly designed or they do not operate effectively, the execution of tests and evaluations on the design and effective implementation of this ICFR, based on our professional judgment, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

#### Our Independence and Quality Control

We have complied with the independence requirements and other ethical requirements of the Accounting Professionals Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the "International Standard on Quality Control 1 (ISQC 1)" and maintains an exhaustive qualitative control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

#### Opinion

In our opinion, the Repsol Group maintained, as at December 31, 2019, in all material respects, an effective Internal Control over Financial Reporting for the period ended at December 31, 2019, which is based on the criteria and the policies defined by the Repsol Group's management in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report.

In addition, the attached description of the ICFR Report as at December 31, 2019 has been prepared, in all material respects, in accordance with the requirements established by article 540 of the Consolidated Text of the Capital Companies Act and with the Circular 5/2013 of June 12, 2013 of the CNMV, as amended by CNMV Circular No. 7/2015 dated December 22, 2015 and CNMV Circular No. 2/2018 dated June 12, 2018 for the purposes of the description of the ICFR in the Annual Reports of Corporate Governance.

This work does not constitute an audit nor is it subject to the regulations governing the audit activity in force in Spain, so we do not express any audit opinion in the terms provided in the aforementioned regulations.

PricewaterhouseCoopers Auditores, S.L.

A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned over the text of the signature and date.

Iñaki Gorriena Basualdu

February 20, 2020