LONG-TERM INCENTIVE PLAN LTI 2020-2023

Repsol has implemented many long-term incentive plans (LTIs) for managers and other employees of the Group, including the CEO, to promote the reciprocal generation of value for the Group, for its shareholders and for its employees; to foster the commitment of its beneficiaries as well as to compensate the creation of sustainable value for shareholders at long-term.

These programs are independent of each other, but their main characteristics are the same:

- They are structured in overlapping cycles of 4 years and are linked to the fulfilment of objectives and commitments set out in the Company's Strategic Plan in force at any given time.

- Their objectives are linked to maximising the Company's value, the performance of Repsol's businesses and sustainability.

- They are linked to their beneficiaries remaining until the end of the measurement period, except under special circumstances that can cause their early settlement.

Each metric in the LIP has an associated achievement scale defined based on its variability and level of demand. These scales will have a minimum compliance threshold, below which they will not generate incentive rights, and a maximum set at 100%.

At the proposal of the Remuneration Committee, the Board establishes the weighting of the objectives and metrics associated with the LIPs, taking into account Repsol's strategy, its needs and the situation of the business.

Once the measurement period has ended, the Remuneration Committee will assess the level of compliance achieved in each of the objectives and the plan as a whole according to the information provided by the Finance and the People and Organisation areas.

In 2020, the Company implemented a new Long-Term Incentive Plan, where the main difference with regard to the previous Plans is based on the partial allocation of shares[1], through performance shares, as part of the long-term incentive granted, and not only as part of the payment under this plan. This new LTI is in line with regulations, corporate governance recommendations and best market practices. In this regard, 2020 General Shareholders Meeting. Approved three independent cycles for 2020-2023 (First Cycle), 2021-2024 (Second Cycle) and 2022-2025 (Third Cycle).

With regard to the objectives, metrics and weightings of the First Cycle of the new Long-Term Incentive Plan, corresponding to the 2020-2023 period, the Board approved, at the proposal of

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[1] In the case of the Chief Executive Officer, the long-term variable remuneration structure is implemented by granting the right to receive a certain number of Repsol, S.A. performance shares as well as an amount in cash, in a proportion of 50% each with regard to the total incentive at the time of granting.

the Remuneration Committee, the following general objectives and weightings at its meeting held on 19 February 2020:

- **Decarbonisation and Sustainability**, with a total weight of 40% and objectives and indicators related to the reduction in energy intensity.

- **Performance,** with a total weight of 30% and metrics related to compliance with financial and operational indicators in line with the new Strategic Plan.

- **Creating value for shareholders**, with a total weight of 30% and the Total Shareholder Return (TSR) metric.

As indicated in the 2019 Annual Director Remuneration Report, the specific metrics and indicators of the objectives related to Decarbonization and Sustainability, as well as the financial and operational performance of the Company corresponding to the 2020-2023 Long-Term Incentive have been fully defined once the new Strategic Plan 2021-2025 was approved on November 25, 2020. For these purposes, the Board of Directors has approved, at its meeting of December 16, 2020, the following goals for the 2020-2023 Long-Term Incentive Program[2].

CATEGORY	WEIGHT	METRIC	WEIGHING
DECARBONIZATION AND SUSTAINABILITY	40%	Reduction of the Carbon Intensity Index compared to 2016, in line with the objective of SP 21-25 (12% in 2025)	30%
		Low carbon generation capacity in line with SP 21-25 commitments (7.5GW in 2025)	10%
PERFORMANCE	30%	Repsol Group Accumulated FCF	10%
		E&P FCF Breakeven ($/bbl)	10%
		Integrated Refining and Marketing Margin vs peers (Eni, Total, Cepsa, Galp, Saras, OMV, MOL, Neste Oil, Hellenic)	10%
VALUE CREATION	30%	TSR Repsol vs peers (Total, RD Shell, BP, ENI, OMV, Statoil, GALP, Iberdrola, Naturgy y Endesa)	30%

The linking of the 40% of the long-term variable remuneration of executives and leaders, including the Chief Executive Officer and senior executives, to objectives addressed to comply with the Paris Agreement and, therefore, to the progressive decarbonisation of the Company shows the Company's strong commitment to sustainability and its leadership in the energy transition.

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[2] Some of the performance targets for the annual bonus are commercially sensitive and it would be detrimental to the interests of the Company to disclose them before the start of the relevant performance period. The performance targets and level of achievement will be disclosed after the end of the relevant financial year in that year's remuneration report subject to the sensitivity no longer remaining.