



## REPORT OF THE AUDIT AND CONTROL COMMITTEE ON THE INDEPENDENCE OF THE EXTERNAL AUDITOR

### 1. Introduction

This Report is issued by the Audit and Control Committee (“the Committee”) of the Board of Repsol S.A. (“the Company”) in accordance with section 529 *quaterdecies* of the Companies Act (*Ley de Sociedades de Capital*) as amended by Spanish Law 22/2015 of 20 July on Auditing Services (*Ley 22/2015, de 20 de julio, de Auditoría de Cuentas*, “Spanish Auditing Services Act”).

The above section states that the Committee must issue an annual report prior to the signing of the audit report, expressing its opinion regarding the independence of the auditor of the Company’s accounts and evaluating any additional services provided to the Company or to entities within its Group or affiliates other than the statutory audit work.

### 2. Report of the Committee

#### 2.1 Information from the external auditor

The audit partner responsible for auditing the individual and consolidated financial statements has informed the Committee that during the work the external auditors have had access to all the necessary information and have received all the cooperation from Group employees necessary to carry out its activities.

From 1 January 2020 until 26 January 2021 (date of the last meeting held before the preparation of this Report), the audit partner responsible for auditing the individual and consolidated financial statements and other representatives of the external auditor have attended eight Committee meetings, and at no stage have they mentioned any situation during the course of their work that could have compromised their independence. The details of the matters considered by the external auditor at the meetings it has attended are specified in **Appendix I**.

Similarly, in accordance with paragraph e) of section 529 *quaterdecies* of the Companies Act, today the Committee received written confirmation from the external auditor of its independence from the Repsol Group and its compliance with the independence regulations established under the applicable regulations. A copy of the above-mentioned document is attached as **Appendix II**.



## *2.2. External auditor services and fees*

In 2020, the amount of the fees approved for the auditing work carried out by PricewaterhouseCoopers Auditores, S.L. and its organisation (“PwC”)<sup>1</sup> for the Company and companies in its Group amounted to €6.9 million.

In addition, the fees approved for PwC for professional services relating to auditing and other services amounts to €700,000 and €93,000 respectively. A breakdown of the above-mentioned services and amounts is included as **Appendix III**. As at 31 December 2020, the services provided other than audit work comprised 11% of the total amount of the fees of PwC.

## *2.3. Auditor rotation*

In accordance with the applicable legislation, on 19 May 2017 the proposal for appointment of PwC as the new auditor of Repsol Group for the above-mentioned period was submitted to the General Meeting of Shareholders. The proposal was approved by 99.816% of the share capital present or represented at the Meeting, and as a result 2020 was the third financial year with PwC as the auditor of Repsol Group.

In addition, the applicable legislation requires that in the case of listed companies there must be a rotation of the auditor signing the audit report every five (5) years from the date of the initial contract. In this respect, it is declared that 2020 is the third year for Mr. Iñaki Goirienu Basualdu, currently the audit partner signing the audit report for the Group, as auditor of Repsol Group.

## *2.4 Pre-approval by the Committee of external auditing services*

As part of its work to monitor the independence of the external auditor, in 2003 the Committee agreed upon a procedure for pre-approval of all the services, whether audit-related or not, provided by the external auditor, regardless of their scope, field and nature. Prior to the approval of services, information is requested on the scope of the work to be carried out, the Company of the Group that will receive the services, prior cases with similar circumstances and context, confirmation of the independence of the external auditor and the percentage of non-auditing services with respect to the total amount of the auditor’s fees for the year to date, including the service to be approved.

The Committee has also delegated powers to the Chairperson of the Committee enabling him/her to authorise urgent services required from the external auditor during the period between Committee meetings. These authorisations are submitted to the Committee for ratification at its next meeting.

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<sup>1</sup> In accordance with the Shareholder resolution dated 19 May 2017, the new auditor of the Repsol Group for 2018-2020 is PwC.



This procedure is regulated by the internal regulation "*Approval of services to be provided by the audit firm*" (Code 00-00093NO), which is mandatory for the entire Repsol Group.

By virtue of the above, during 2020 the Committee has approved all the services provided to Repsol Group by the external auditor and its organisation and has ratified the authorisations by its Chairperson with regard to certain services pursuant to the aforementioned delegation of powers. The Company's internal services have also duly verified that the services provided by the external auditor comply with the independence requirements established under the applicable regulations.

### **3. Conclusions**

Based on the above information, the Committee concludes that there are no objective reasons to question the independence of the external auditor of the Company and its Consolidated Group.

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## **APPENDIX I**

### **Matters notified to the Committee by the External Auditor**

The Committee has regularly received information from the external auditor regarding: (i) execution of the audit plan and the results of its execution; (ii) relevant matters arising during the course of the audit work; and (iii) the notifications and recommendations made to the Management of the Company during the audit process.

From 1 January 2020 through to the date of preparing this report, the Committee was informed by the external auditor of the matters mentioned above at the following meetings:

- 28 January 2020: PwC report on the audit of the consolidated financial statements of Repsol, S.A. and its consolidated Group for the 2019 financial year; the impairment tests review; and the main issues in the planning of the audit of Repsol International Finance, B.V.
- 18 February 2020: Concluding Report by PwC on the audit of the consolidated financial statements of Repsol Group and the individual financial statements of Repsol for the year ending 31 December 2018; confirmation of its independence, the main aspects of the audit and the conclusions regarding the effectiveness of the Company's internal control and risk management systems in relation to the financial reporting process. They also presented their favourable conclusions on the limited assurance report on the status of Non-Financial Information in the Integrated Management Report 2019.
- 24 March 2020: Report on the final conclusions of the report issued by PwC on the review of the 2019 Financial Statements of Repsol International Finance, B.V. (RIF).
- April 28, 2020: Report on the status of the audit work as of December 31, 2020 and its progress, as well as the main issues identified as of that date.
- 21 July 2020: Report on the limited review by PwC of the abridged financial statements as at 30 June 2020, including information on the most relevant aspects highlighted in its review.
- 27 October 2020: Report on the status of the audit work as of December 31, 2020 and its progress, as well as the main issues identified as of that date.
- 15 December 2020: PwC report on the status of the impairment tests review, the status of the audit, the System of Internal Control Over Financial Reporting (ICFRS)



review and the IT systems review. They also presented the planning of the Repsol International Finance audit and the 2021 Repsol Group audit fees.

- 26 January 2021: Report by PwC on the status of the audit of the financial statements of Repsol, S.A. and its consolidated Group for the 2019 financial year; and review of the impairment tests.



**APPENDIX II**  
**Confirmation of Independence of the External Auditor**  
*(only available in Spanish)*



### APPENDIX III

#### Breakdown of related and other services

Thousands of euros			
Description	2020	Requirement	Report Type
<b>Other related services</b>	<b>746</b>		
<b>Required by regulations</b>	<b>264</b>		
CORES Report (Repsol Butano, S.A. and Repsol Comercial de Productos Petrolíferos, S.A.)	62	Corporation for Strategic Reserves of Petroleum (CORES) - RD 1766/2007	Specific and supplementary report on the annual declaration of inventories, purchases and sales of petroleum products
Reports of National Securities Market Commission (CNMC)	30	Circular 1/2019 of the National Securities Market Commission (CNMC) implementing Ministerial - Order ITC/2877/2008	Report on the annual declaration of biofuels and other renewable fuels purchases, sales and production for transportation purposes.
Reports of General Direction of Energy Policy and Mines (DGPEyM) (Repsol Petróleo, S.A.)	10	RD 235/2018 - General Direction of Energy Policy and Mines (DGPEyM)	Report on agreed procedures for reporting on greenhouse gas emissions from fuels and energy intensity in transport
ECOEMBES report (Campsared; Repsol Butano, S.A.; Lubricantes y Especialidades, S.A., and Repsol Comercializadora de Electricidad y Gas, S.L.U.)	20	Regulations for the Review of Annual Packaging Declarations issued by ECOEMBES, regarding the Annual Packaging Declaration	Special report on the annual packaging declaration according to the procedures approved
Certifications for share capital increases in certain countries (Repsol Norge, AS.)	2	Local regulations of Norway	Certification of capital contributions by the partner.
Certification of the opening of the profit and loss account by operating contract (Repsol E&P Bolivia, S.A.)	4	Ministerial Resolutions 387-12 (Bolivia)	Report on the documentation of corporate income taxes paid by the company
"Visto di conformità" of "Modello Redditi SC" 2020 of Repsol Italia, S.p.A.	3	Local regulations (art. 1, paragraph 574 of Law no. 147 and art. 35, paragraph 1, letter a of Legislative Decree no. 2411 of July 9, 1997).	"Modello Redditi SC" Certification
Translation into Arabic of the company's accounting records for the years 2018, 2019 and 2020 as required by the Commercial Code for the years 2018, 2019 and 2020 - Repsol Exploración Murzuq S.A. Libyan Branch.	12	Local regulations (Code of Commerce)	Arabic translation of the company's accounting records
Form RF-1053 audit of costs incurred on the SkatteFUNN project - Repsol Exploration Norge AS.	4	Local regulations (Norwegian Tax Act 16-40)	Form RF-1053 audit of costs incurred in SkatteFUNN project
Verification of the status of non-financial information	117	Code of Commerce and local regulations (Peru)	Independent verification report on the statement of non-financial information (EINF)
<b>Required due to contractual obligations</b>	<b>361</b>		
"Joint Operating Agreement –JOAs" with partners: (i) Report on rate (Repsol Exploración Argelia, S.A.; Repsol E&P USA; and Repsol Exploración, S.A.); (ii) Report on billing to partners (Repsol E&P Bolivia, S.A. and Repsol Exploración Norge AS)	163	Joint Operating Agreement	(i) Agreed-upon procedures report (ISRS 4400) on the rates applied by the company and (ii) agreed-upon procedures report on partner billing.
Comfort Letters	161	Contract with the Banks participating under the issue programme	Comfort Letter for issues of bonds admitted for trading on the Luxembourg Stock Exchange and for renewal of the EMTN programme of Repsol International Finance, B.V.
Green bonds (Repsol, S.A.)	22	Commitment assumed with bondholders	"Green bond report" independent verification report
Certifications for insurance – Oil Insurance (Gaviota RE)	13	Shareholder's Agreement with "Oil Insurance"	Report on agreed-upon procedures related to gross asset reporting
Certification of compliance with the financial ratios of Refinería La Pampilla, S.A.A.	2	Contract with CESCE (Spanish Export Credit Insurance Company)	Certification of compliance with the company's financial ratios
<b>Others</b>	<b>121</b>		



Verification reports: (i) reconciliation of net equity from local accounting standards to generally accepted accounting practice in Spain; (ii) financial statements by sections – Exploration and Production; (iii) review of the balance sheet and statement of profit and loss of tax Group 6/80 (Spain)	121	Internal	Report on agreed verification and financial information procedures.
<b>Other services</b>	<b>93</b>		
<b>Others</b>	<b>93</b>		
Petronor Innovación, S.L. - Report on the different scenarios for the safe and efficient management of the Petronor refinery maritime terminal.	93	Internal	Analysis report on the different scenarios for the safe and efficient management of the Petronor refinery maritime terminal.