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# Annual Corporate Governance Report 2020



## **DETAILS OF ISSUER**

**Dated end of year** 31/12/2020

**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**

Our good governance practices are intended to ensure that both the Company's management model and the decisions of the Board of Directors and its Committees are aimed at preserving the long-term interest of our stakeholders and ensuring the Group's sustainability. The global crisis caused by Covid-19 has marked the year 2020, a year in which Repsol has prioritized its work as an essential service, maintaining its facilities in operation and assuring the supply of its products and services, which are indispensable to society.

Our corporate governance system is in a permanent process of review and improvement, adopting the main recommendations of the international markets and the most advanced guidelines in this area. Thus, following the approval by the National Securities Market Commission of the partial reform of the Good Governance Code for listed companies, the Company has revised its internal regulations and practices in order to comply with the new recommendations.



Regarding the Board of Directors, it is worth mentioning the assessment of its functioning and its Committees during 2020, with the assistance of an independent expert, highlighting the high evaluations obtained in terms of its work dynamics, the climate of dialogue and willingness to discuss, the composition, the quality of the information provided, the relationship and interaction with the management team and the performance of the key people, having also prepared a work plan for the areas of improvement detected.

In terms of the independence and diversity of the Board, following the appointment in July of Mr. Rene Dahan as an External Independent Director, the percentage of independence on the Board has risen to 60%. As for gender diversity, over the last few years Repsol has been increasing the number of women on the Board which currently represents 33%. Without prejudice to this, the Company has also adopted the commitment to continue increasing this percentage to reach at least 40% before the end of 2022 as reflected in its Diversity Policy in the composition of the Board of Directors and the Selection of Directors.

In 2020, the new Strategic Plan 2021-2025 has also been presented by the Company, which will define its transformation in the coming years and will allow Repsol to accelerate the energy transition in a profitable way maximizing the value for its shareholders. This plan will enable Repsol to make progress towards its goal of zero net emissions by 2050.

## **A. Executive summary**

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



During this year we will continue working on the continuous improvement of our Corporate Governance system, by means of permanent and transparent dialogue and engagement with our stakeholders under our principles of efficiency, respect, anticipation and value creation, making them part of the future of Repsol.

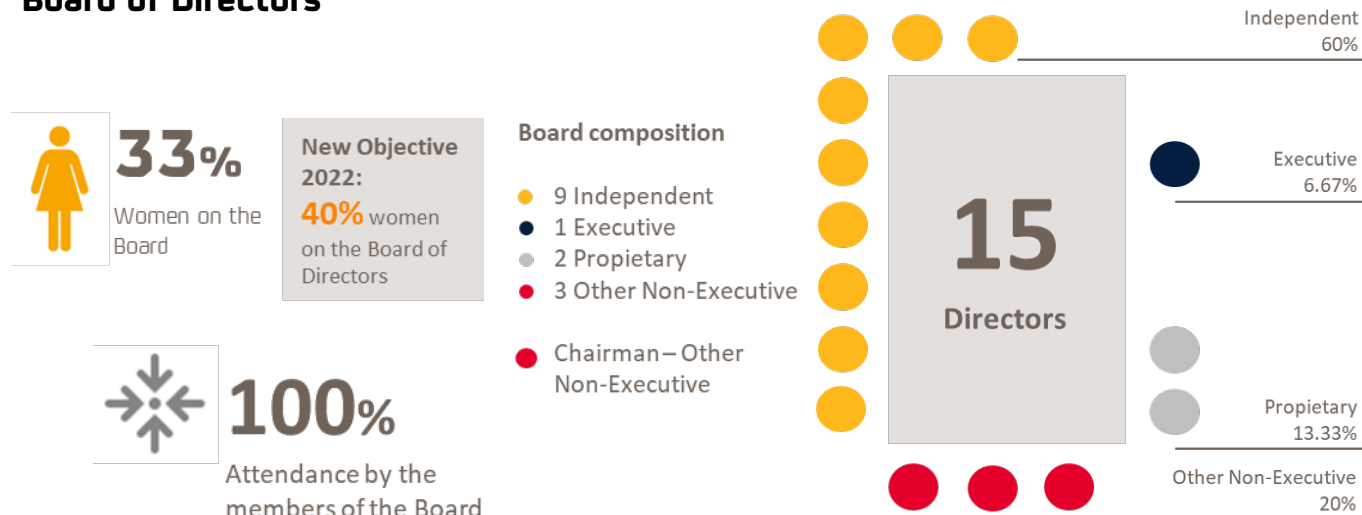
Finally, I would like to express, on behalf of the entire Board of Directors, our deep gratitude to the Company's employees for their commitment, dedication and enthusiasm, and to all of our shareholders for their trust and support.

**Antonio Brufau**

**Chairman of the Board of Directors**

## 2. At a glance

### Board of Directors



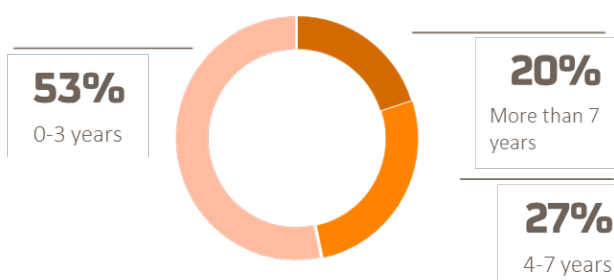
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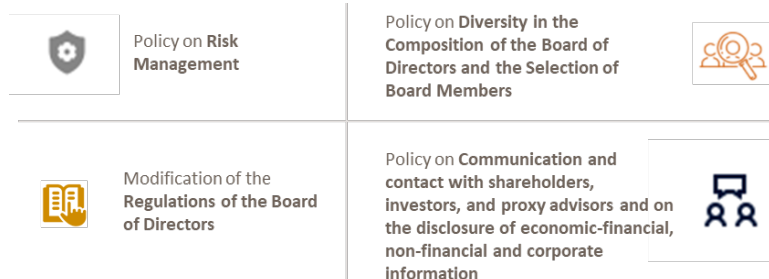
### Board of Directors' skills



### Years of Service of Directors



### Internal regulations adapted to the new recommendations of the Code of Good Governance



<sup>1</sup> On May 8, 2020, the meeting was held by means of the written voting procedure without meeting, as provided for in Article 10.3 of the Regulations of the Board of Directors of Repsol.

## Separated roles and responsibilities



**Chairman of the Board of Directors**  
**Mr. Antonio Brufau**

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



**Chief Executive Officer (CEO)**  
**Mr. Josu Jon Imaz**

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**  
**Mr. Mariano Marzo**

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**  
Appointed on 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



**Mr. René Dahan**  
Appointed by co-optation on 2020.  
Independent

## Board Committees

### Delegate Committee

**Chairman:** External Director

 **4** Meetings in 2020

<b>8</b> Members	<b>12.5%</b> Executives	<b>12.5%</b> Proprietary	<b>37.5%</b> Independents	<b>37.5%</b> Other external	<b>100%</b> Personal attendance
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### Audit and Control Committee

**Chairwoman:** Independent Director

 **9** Meetings in 2020

<b>4</b> Members	<b>100%</b> Independents	<b>97.2%</b> Personal attendance
------------------	--------------------------	-------------------------------------

### Nomination Committee

**Chairwoman:** Independent Director

 **6** Meetings in 2020

<b>4</b> Members	<b>100%</b> Independents	<b>96%</b> Personal attendance
------------------	--------------------------	-----------------------------------

### Compensation Committee

**Chairwoman:** Independent Director

 **3** Meetings in 2020

<b>4</b> Members	<b>25%</b> Proprietary	<b>75%</b> Independents	<b>100%</b> Personal attendance
------------------	------------------------	-------------------------	------------------------------------

### Sustainability Committee

**Chairman:** Independent Director

 **4** Meetings in 2020

<b>4</b> Members	<b>25%</b> Proprietary	<b>75%</b> Independents	<b>100%</b> Personal attendance
------------------	------------------------	-------------------------	------------------------------------

## Our Corporate Governance



### Effective commitment to our shareholders:

- General meetings accessible to all shareholders regardless of circumstances.
- High participation through remote means.
- Commitment to the quality of the information.
- Transparent remuneration with performance metrics aligned with the interests of the shareholders and sustainability.



**48.3%**

Quorum for the General Meeting



**98%**

Average approval of proposals at the General Meeting

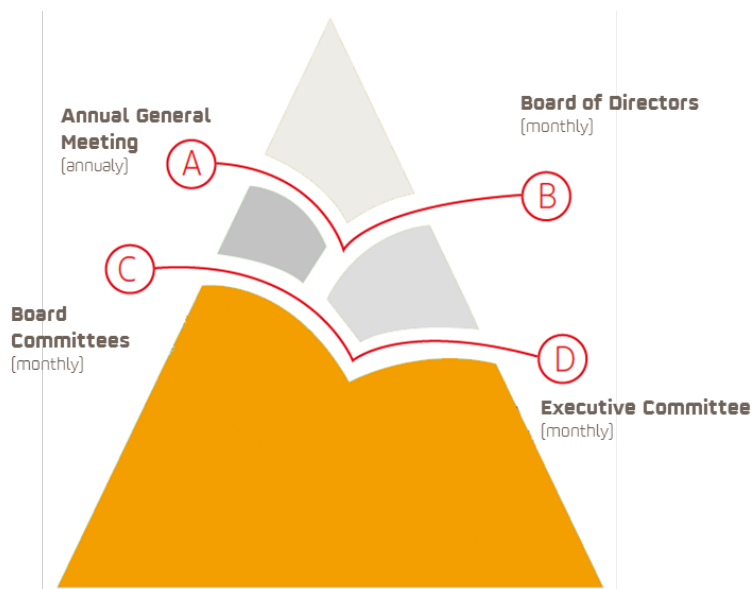


### Effective board of directors:

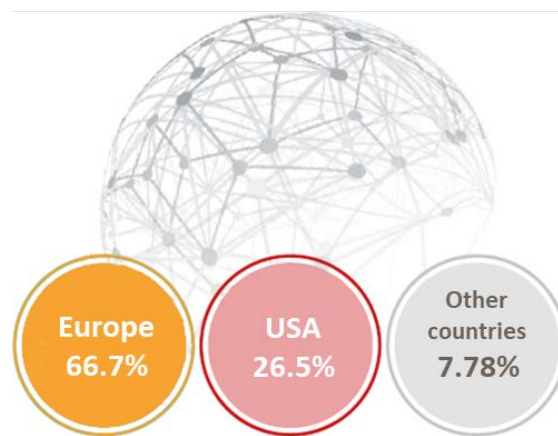
- Majority of independent directors.
- Balanced, qualified and diverse composition.
- Separate and complementary roles of Chairman, CEO and Lead Independent Director.
- Good practices of the Good Governance Code for the listed companies integrated in our internal regulations.



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



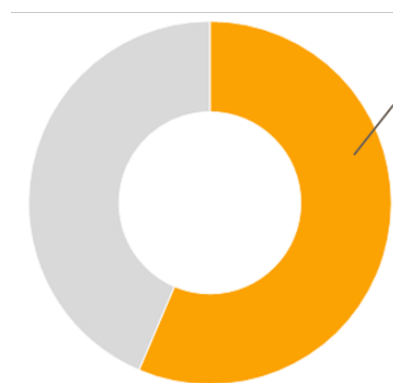
## Institutional Investors



2

## General Shareholders

**May 8, 2020**



**48.3%**

Shareholders in attendance represented 48.3% of the Company's share capital

All proposals submitted were **approved**

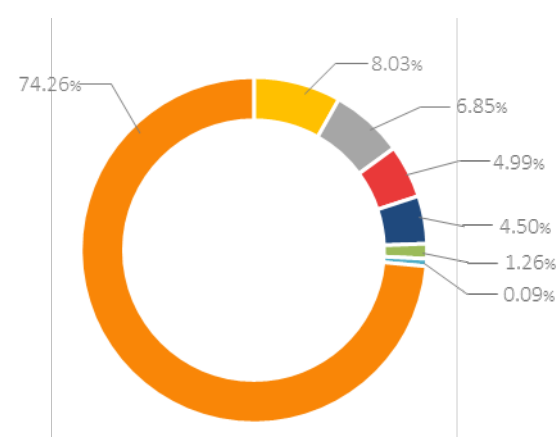
**12**

The proposals were approved with an average of **98%** votes in favor of the share capital in attendance

**98%**

## Shareholder composition<sup>1</sup>

Percentage of voting rights



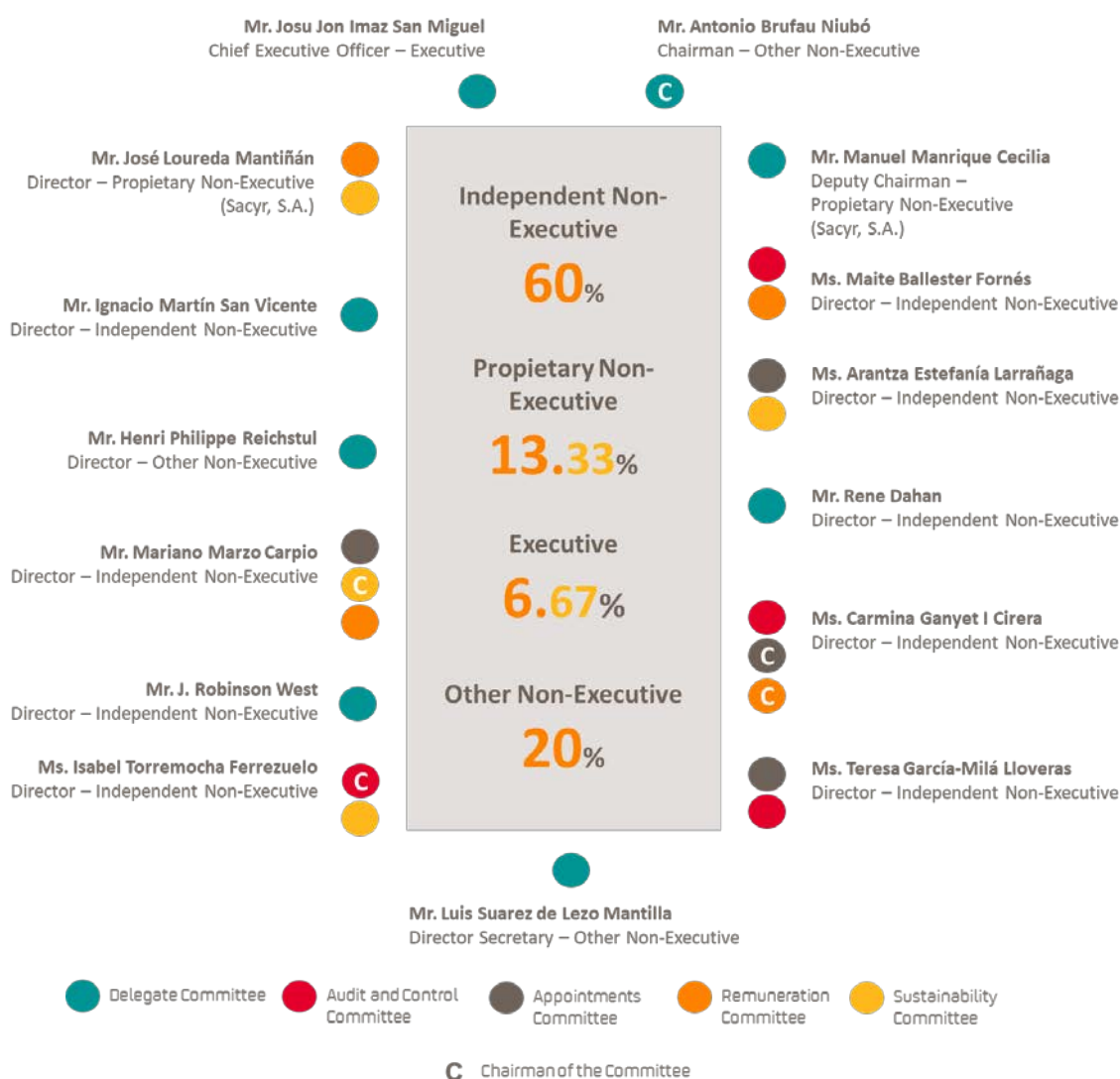
● Free float  
 ● Sacyr, S.A.  
 ● JP Morgan Chase & Co  
 ● Blackrock, Inc.  
 ● Amundi Asset. Management  
 ● Treasury shares  
 ● Shares owned by the Board

<sup>2</sup> For the calculation of the shareholder composition, data as of December 31, 2020 has been taken into account.

### 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.

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>3</sup>.



All shareholders with significant shares and proportional representation rights are represented on Repsol's Board of Directors, provided that they themselves have so requested.

<sup>3</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.

## 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

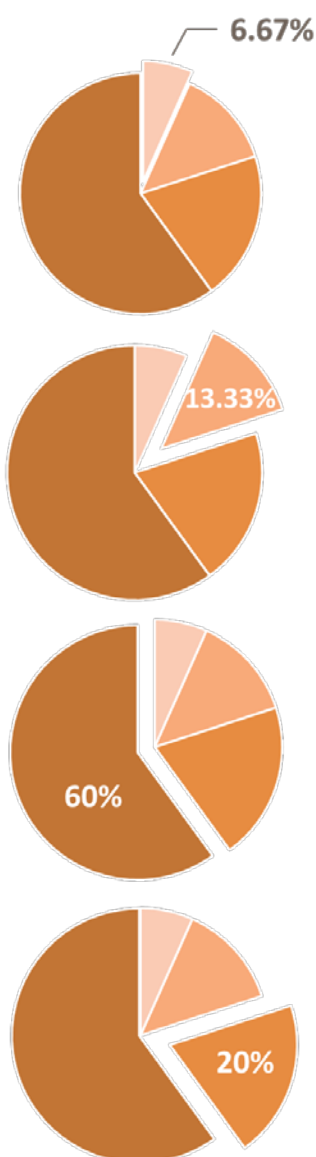
Name of director	Name of significant shareholder represented or that proposed appointment
Mr. Manuel Manrique Cecilia	Sacyr, S.A.
Mr. José Manuel Loureda Mantiñán	Sacyr, S.A.

#### Independent Directors

Name of director
Ms. Maite Ballester Fornés
Mr. Rene Dahan
Ms. Arantza Estefanía Larrañaga
Ms. Carmina Ganyet i Cirera
Ms. Teresa García-Milá Lloveras
Mr. Ignacio Martín San Vicente
Mr. Mariano Marzo Carpio
Ms. Isabel Torremocha Ferrezuelo
Mr. J. Robinson West

#### Other Non-Executive Directors

Name of director and reasons	Company, executive or shareholder with which the director is related
Mr. Antonio Brufau Niubó <sup>4</sup>	Repsol, S.A.
Mr. Henri Philippe Reichstul <sup>5</sup>	Repsol, S.A.
Mr. Luis Suárez de Lezo Mantilla <sup>6</sup>	Repsol, S.A.



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' Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15), number kept out to this date.

<sup>4</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>5</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>6</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

- Appointment of Mr. René Dahan as Independent Director on July 22, 2020 after his resignation as Proprietary Director for having transferred Temasek's entire stake in Repsol's share capital.

### Structure

- Wide majority of **Non-Executive Directors 93.33%**
- More than half of **Independent Directors 60%**
- 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**. Assumption of and **new active commitment to increase said percentage to 40%** before the end of 2022.
- **International representation** of the Board of **26.6%**: Rene Dahan (Dutch), Robinson West (American) and 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 and Chief Executive Officer of the Company 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 Governance (ESG)<sup>7</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.

The Repsol Group has also approved and published on its website its Policy on communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information, wherein it is defined and established the general principles and criteria governing the communication of economic-financial, non-financial and corporate information through the channels deemed appropriate and, specifically, contacts with shareholders, investors and proxy advisors, with particular attention to the points of view of those shareholders and major investors not represented on the Board of Directors.

The 2020 Communication Plan has been adapted to the situation created by COVID-19, therefore most of the events that have been held have been performed through remote means. The communication of the 2020-2025 Strategic Plan presented on November 26, 2020, and specifically the roadshow led by the CEO to inform the investment community of the Company's strategic lines and objectives for the next five years, as well as the actions that the Company is taking to respond to the challenge of the energy transition, shall be highlighted among the main milestones of the year.

### Activity with institutional investors and shareholders in 2020



**330** investors visited



**12** conferences



**17** roadshows

### Interaction with shareholders that hold

**≈500M**

shares of the Company's total shares

**≈72%**

of identified institutional shareholders

<sup>7</sup>These investors apply sustainability criteria when making decisions.

## Activity with ESG investors and shareholders in 2020



**75** investor contacted<sup>8</sup>



**8** specialized Conferences



**7** roadshows

## Interaction with shareholders that hold

**≈+161M** shares of the Company's total shares

**≈65%** of ESG shareholders

The company has been a pioneer in Spain in bidirectional communication with ESG shareholders and is highly valued by investors. In this regard, the Climate Action 100+ initiative, which brings together 545 investors that manage approximately USD 52 billion, has recognized Repsol as an example for its good practices in transparency and dialogue with ESG investors. For more information on the interaction carried out in 2020 with ESG investors on environmental, social and governance issues, see the 2019-2020 Engagement Report.

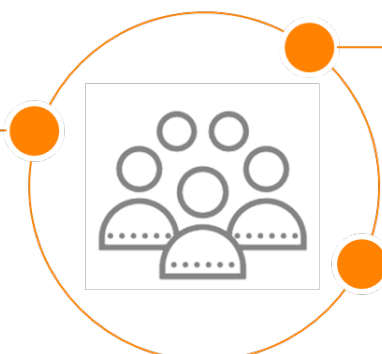
## Presence on ESG indexes

<b>Corporate Human Rights Benchmark [CHRB]</b>	According to the assessment carried out by CHRB, Repsol has obtained a score of 20.5 out of 26 in 2020, making it the 10th company in the world. In the Oil & Gas Sector, the company ranks third in terms of Human Rights performance.
<b>Standard &amp; Poors ESG rating</b>	Repsol participated in 2020 for the second consecutive year in the ESG rating developed by Standard & Poor's. With a score of 68/100, S&P places Repsol among the companies in its sector, highlighting its growth strategy in the energy transition. Additionally, it values adequate management of social and environmental risks, highlighting its Sustainability strategy as one of the most advanced in the O&G Sector.
<b>Transition Pathway Initiative [TPI]</b>	In 2020, this initiative, supported by 60 of the largest international investors, has recognized that the goal of reaching zero net emissions by 2050 represents an improvement on the commitments previously acquired by Repsol, with intermediate goals for reducing emissions more ambitious.
<b>CDP Cambio Climático</b>	It recognizes the companies with the best energy and carbon management. Since 2006 Repsol has been listed as one of the best companies in its sector. In 2020, Repsol has remained in the leadership band in the fight against climate change, with a score of A-. Positioning in this band implies the absolute integration of 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 capitalize on these risks and opportunities.
<b>ISS-ESG Corporate Rating</b>	In 2020 Repsol renews its "Prime" rating in the ISS ESG Corporate Rating. This index analyzes sustainability performance from a Best-in-class perspective, granting the "Prime" rating to the leading companies in their sector that meet the sustainability performance requirements evaluated.

<sup>8</sup> ~75% of our ESG shareholding. Additionally, meetings have been held with large institutions (Blackrock, State Street, Northern Trust, Vanguard, Fidelity) which are increasingly adopting ESG criteria in their investment processes.

## Repsol Shareholders Community

More than **42,000**  
shareholders registered



≈ **32,000** queries  
resolved by telephone calls and e-mail

More than **53** communications  
sent to minority shareholders

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 an 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.

# 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 1/2020, of October 6 ("Circular 1/2020"), that amends Circular 5/2013, of June 12 ("Circular 5/2013")	<p>This Annual Corporate Governance Report, corresponding to 2020, is prepared pursuant to section 540 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), following the instructions established in Circular 1/2020 of the Spanish National Securities Market Commission.</p> <p>In accordance with the option offered by Circular 1/2020, Repsol has continued its commitment to the preparation of this report on the free format model, including the minimum content required by the regulations and the statistical appendix included in Circular 1/2020. 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.</p> <p>This Annual Corporate Governance Report has been approved by unanimous vote by the Board of Directors at its meeting on 17 February 2021.</p>
Good Governance Code for Listed Companies, review by the CNMV on June 26 2020 (the "GGC")	<p>This is the reference framework in Spain on best practices regarding corporate governance. It is voluntary and follows the "comply or explain" principle.</p> <p>With regard to the structure of the GGC, it should be noted that 25 of general principles (25) are identified, which are those that inspire and underpin the (64) recommendations on each specific matter. On June 26, the CNMV approved a partial reform of the Code, modifying the CNMV has introduced changes in 20 of the 64 recommendations contained therein. In this regard, and Repsol has implemented and adapted its practices and procedures to the modifications made to the CBSG recommendations, which has deemed all the necessary measures to comply with the new aspects contained in them appropriate.</p> <p><b>Appendix I</b> 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.</p>

### 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](http://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. In this regard, Repsol has updated its Regulations of the Board of Directors and some of its policies and has also agreed to submit to the consideration of the next General Shareholders 'Meeting certain modifications in the Bylaws, in the Regulations of the General Shareholders' Meeting and in the Directors' Remuneration Policy, all in order to adapt them to the new recommendations of the Good Governance Code of listed companies.



#### 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 2020 (January 9, July 8 and October 8, 2020), and on January 12, 2021, with these amendments affecting Articles 5 and 6, relating to share capital<sup>9</sup>.

#### 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.

#### 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 February 17, 2021.

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

#### 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.

#### 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 November 26, 2003 and last amended on July 27, 2016.

#### Corporate policies

- In addition to the internal regulations already mentioned, the Board of Directors has approved the following policies:
  - Sustainability Policy.
  - Risk Management Policy.
  - Anti-corruption Policy.
  - Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members.
  - Policy on communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information.
  - Tax Policy.

<sup>9</sup> For further references to information on share capital, please refer to section "B. REPSOL'S CORPORATE GOVERNANCE SYSTEM - 2.1. Ownership structure" of this Report

## 2. Ownership structure of the Company

### 2.1. Ownership structure

#### Share capital structure

**SHARE CAPITAL AT DECEMBER 31, 2020** **€1,527,396,053**

In 2020 share capital was altered on three occasions:

<b>January 9, 2020</b>	Closing of the paid-up capital increased approved as item 6 of the agenda for the General Shareholders Meeting held on May 31, 2019.
<b>July 8, 2020</b>	Closing of the paid-up capital increase approved as item 6 of the agenda for the General Shareholders Meeting held on May 8, 2020.
<b>October 8, 2020</b>	Execution of the reduction of capital reduction through cancellation of own shares approved as item 8 of the agenda for the General Shareholders Meeting held on May 8, 2020.

Likewise, on January 12, 2021, the second Repsol's paid-up capital increase approved as item 7 of the agenda of the General Shareholders Meeting held on May 8, 2020 were declared completed, bringing the Company's share capital to €1,567,890,563, divided into 1,567,890,563 shares and 1,567,890,563 voting rights.

#### At December 31, 2020

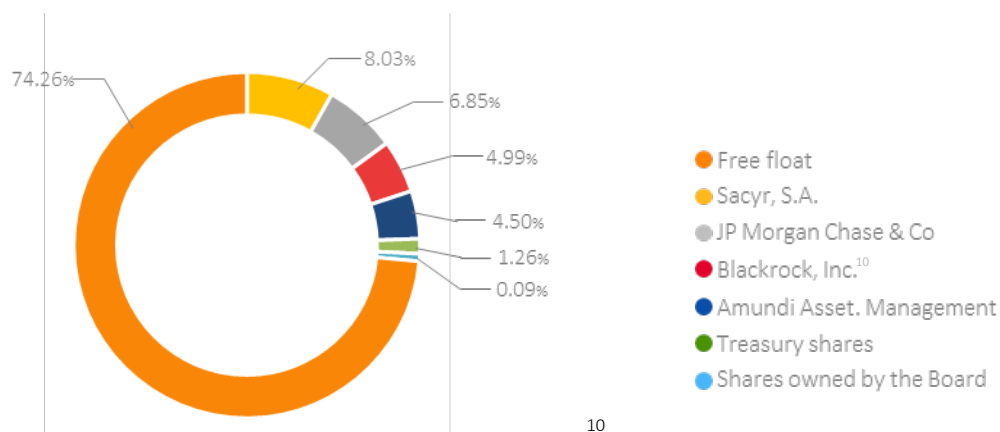
**1,527,396,053**  
**Shares**  
**[par value of shares €1]**

- 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, 2020, the share capital, with the free float representing 74.26% of share capital, was distributed as follows:



10

There is no individual or legal entity that exercises or may exercise control over the Company, understanding 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, 2020, the direct and indirect holders of significant interests in Repsol, excluding the Directors, are as follows:

	% of voting rights attributed to shares (Direct/indirect)		% of voting rights through financial instruments (Direct/indirect)		% of total
SACYR, S.A. <sup>(1)</sup>	--	8.034	--	--	8.034
BLACKROCK Inc. <sup>(2)</sup>	--	4.762		0.236	4.998
AMUNDI ASSET <sup>(3)</sup> MANAGEMENT	--	4.500	--	--	4.500
JP MORGAN <sup>(4)</sup> CHASE& CO	--	0.585	--	6.270	6.855

(1) Sacyr, S.A. holds its share through Sacyr Securities, S.A., Sacyr Investments S.A.U. and Sacyr Investments II, S.A.U.

(2) BlackRock, Inc. holds its stake through various controlled entities. BlackRock, Inc. information is based on the statement filed by such entity with the CNMV on December 10, 2019 regarding the share capital figure of 1,527,396,053 shares.

(3) Amundi Asset Management holds its shares through various controlled entities. The information regarding Amundi is based on the statement submitted by said entity to the CNMV on December 22, 2020 regarding the capital stock of 1,527,396,053 shares.

(4) JP Morgan holds its stake through various controlled entities. The information regarding JP Morgan Chase & Co is based on the statement filed by said entity with the CNMV on March 19, 2020 regarding the capital stock of 1,566,043,878 shares.

<sup>10</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.U.	1.964	--	
	SACYR INVESTMENTS II, S.A.U.	4.760	--	8.034
	SACYR SECURITIES, S.A.	1.309	--	
JP MORGAN CHASE & CO.	ENTITIES CONTROLLED BY JP MORGAN	0.585	6.270	6.855
AMUNDI ASSET MANAGEMENT	ENTITIES CONTROLLED BY AMUNDI	4.500	--	4.500
BLACKROCK, INC.	ENTITIES CONTROLLED BY BLACKROCK	4.762	0.236	4.998

The details set out in this section, as of December 31, 2020, 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 2020

Name of significant shareholder	Date of transaction	Description of the transaction
NORGES BANK	January 8, 2020	Interest has risen above 3% of share capital
NORGES BANK	January 10, 2020	Interest has fallen below 3% of share capital
NORGES BANK	February 7, 2020	Interest has risen above 3% of share capital
NORGES BANK.	February 14, 2020	Interest has fallen below 3% of share capital
NORGES BANK	February 14, 2020	Interest has risen above 3% of share capital
NORGES BANK	February 17, 2020	Interest has risen above 3% of share capital
NORGES BANK	March 6, 2020	Interest has fallen below 3% of share capital
JP MORGAN CHASE&CO	March 13, 2020	Interest has risen above 5% of share capital
AMUNDI ASSET MANAGEMENT	December 18,2020	Interest has risen above 3% of share capital

## Company voting rights held by Board members

As of December 31, 2020, the total voting rights held by the Company's Directors amounted to **0.091%**.

## Breakdown of individual positions

	Number of shares (Direct/indirect)		% of voting rights attributed to shares (Direct/indirect)		% of voting rights through financial instruments (Direct/indirect)		Total number of shares	% of total	% of voting rights that may be transferred through financial instruments (Direct/indirect)	
Mr. Antonio Brufau Niubó <sup>(1)</sup>	598,292	--	0.039	--	--	--	598,292	0.039	--	--
Mr. Manuel Manrique Cecilia	161	1,442	0.000	0.000	--	--	1,603	0.000	--	--
Mr. Josu Jon Imaz San Miguel	423,753	--	0.027	--	--	--	423,753	0.027	--	--
Ms. Maite Ballester Fornés	--	--	0,000	--	--	--	--	0,000	--	--
Mr. Rene Dahan	160,204	--	0.010	--	--	--	160,204	0.010	--	--
Ms. Arantza Estefanía Larrañaga	--	--	0,000	--	--	--	--	0,000	--	--
Ms. Carmina Ganyet i Cirera	20	--	0.000	--	--	--	20	0.000	--	--
Ms. Teresa García-Milá Lloveras	2,251	--	0.000	--	--	--	2,251	0.000	--	--
Mr. José Manuel Loureda Mantiñán	188	104,717	0.000	0.006	--	--	104,905	0.006	--	--
Mr. Ignacio Martín San Vicente	7,870	--	0.000	--	--	--	7,870	0.000	--	--
Mr. Mariano Marzo Carpio	--	--	0.000	--	--	--	--	0.000	--	--
Mr. Henri Philippe Reichstul	50	--	0.000	--	--	--	50	0.000	--	--
Ms. Isabel Torremocha Ferrezuelo	10,884	--	0.001	--	--	--	10,884	0.001	--	--
Mr. J. Robinson West	--	--	0.000	--	--	--	--	0.000	--	--
Mr. Luis Suárez de Lezo Mantilla	80,841	--	0.005	--	--	--	80,841	0.005	--	--

(1) Mr. Brufau is the individual with mayor number of shares of Repsol.

## 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
Mr. José Manuel Loureda Mantiñán	PRILOU, S.L.	0.006	--	0.006	--
Mr. Manuel Manrique Cecilia	CYMOFAG, S.L.U.	0.000	--	0.000	--

## Representation of significant shareholders on the Board of Directors

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



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.		Director
		SACYR, S.A.	Indirect holder of 8.271% 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.
		SACYR SERVICIOS, S.A.U.	Chairman
Manuel Manrique Cecilia	SACYR, S.A.	SACYR CONSTRUCCIÓN, S.A.U.	Director
			Chairman - Chief Executive Officer
		SACYR, S.A.	Indirect holder of 1.382% of the share capital of Sacyr, S.A. through Cymofag, S.L.U.
		SACYR CONSTRUCCION, S.A.U.	Chairman - Chief Executive Officer
		SACYR SERVICIOS, S.A.	Director
		SACYR CONCESIONES, S.L.	Chairman - Chief Executive Officer
		SACYR SERVICIOS, S.A.U.	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.

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.

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

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 2020 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 2020 year-end, the Company directly held:

<b>19,313,429</b>	<b>1.264%</b>
<b>Treasury shares</b>	<b>% of voting rights</b>

## Significant variations during the year

Notice date	total % of share capital <sup>(1)</sup>
12/02/2020	0.685
12/02/2020	1.477
24/03/2020	0.897
24/03/2020	0.258
26/03/2020	1.573
20/07/2020	0.599
11/08/2020	1.743
19/08/2020	2.791
28/08/2020	3.843
11/09/2020	4.859
28/09/2020	7.149
30/10/2020	0.008
18/11/2020	0.554
10/12/2020	0.358

<sup>(1)</sup> Percentage calculated on the share capital in force at the date of each notification.

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.I) 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

Attendance quorum

**48.3%**



General Shareholders' Meeting held **through telematic means**

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 on the following:

### Powers of the General Meeting

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ Approval of the issue of debentures and authorization to the Board of Directors to do so.</li> <li>▪ Appointment and removal of directors, and ratification or revocation of appointments by co-optation made by the Board.</li> <li>▪ Acquisition, disposal or contribution to another company of the Company's essential operating assets.</li> <li>▪ Transfer to subsidiaries of essential activities performed up until that time by the Company, even if the Company retains full control over these activities.</li> <li>▪ 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.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Approval of the Directors' remuneration policy.</li> <li>▪ Releasing of Directors, on an individual basis, from the obligations deriving from their duty of loyalty in the following cases:                             <ul style="list-style-type: none"> <li>a. Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.</li> <li>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.</li> <li>c. Release from the obligation not to compete with the Company, pursuant to Article 44 bis of the Company Bylaws.</li> </ul> </li> <li>▪ Approval of operations that have the equivalent effect of liquidating the Company.</li> <li>▪ Authorization for the acquisition of treasury shares.</li> <li>▪ Approval of the final liquidation balance sheet.</li> <li>▪ Appointment and, as case may be, removal of auditors.</li> <li>▪ Approval of amendments to the Bylaws in accordance with Law and the Company Bylaws.</li> <li>▪ Dissolution of the Company.</li> </ul> |
|---|---|

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.

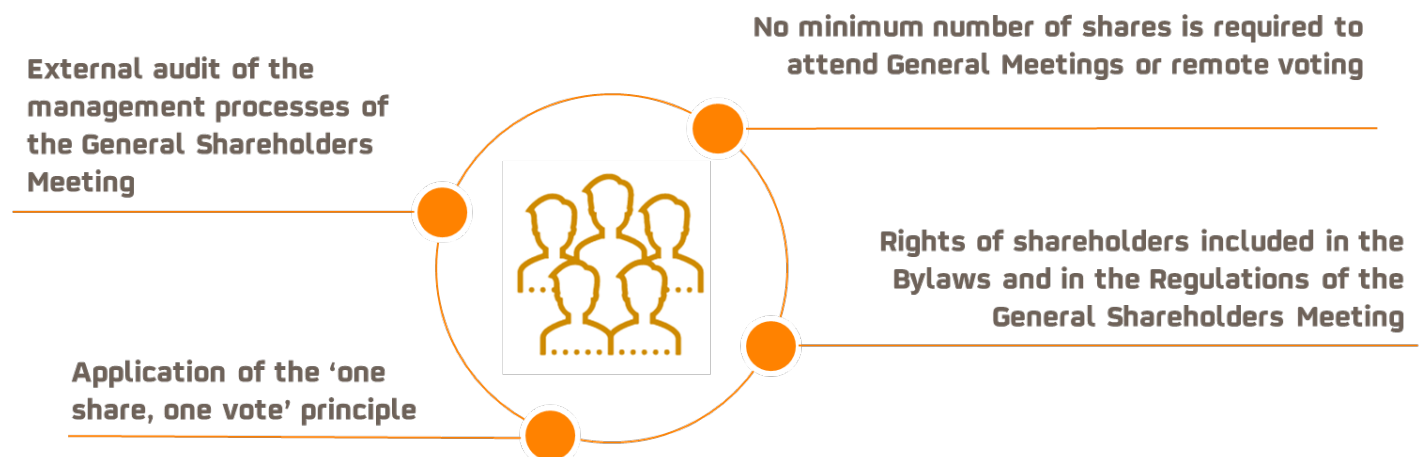
However, and in accordance with that indicated above, a special requirement is established with regard to the regime set forth in the Corporate Enterprises Act for the amendment of Article 22 bis ("Related party transactions") and Article 44 bis ("Prohibition of competition") of the Bylaws, and the amendment 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.

Notwithstanding the foregoing, as a consequence of the Covid-19 pandemic, Repsol has had to adapt some aspects related to the celebration of its 2020 General Shareholders' Meeting to comply with the provisions of Royal Decree 463/2020, of 14 March, which declares the state of alarm for the management of the health crisis caused by COVID-19, Royal Decrees 487/2020, of April 10 and 492/2020, of April 24, by which the state of alarm and Royal Decree Law 8/2020, of March 17 and 11/2020 of March 31, of extraordinary urgent measures to face the economic and social impact of Covid-19 were extended. Thus, since the General Shareholders' Meeting was called and taking into account the circumstances in force at that time, the Company adopted all the appropriate measures to facilitate the exercise of political rights by its shareholders, informing them promptly of all of them during the weeks prior to the holding of the Meeting.

## 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 2020 General Meeting

On May 8, 2020, at 12:00 hours, the Ordinary General Shareholders' Meeting of Repsol, S.A. was held in the Auditorium of its headquarters, calle Méndez Álvaro nº 44, Madrid The General Meeting was held on second call and was constituted with the attendance of a total of 755,730,276 shares, reaching a quorum of 48.26% of the share capital.<sup>11</sup>



## Data on attendance at General Shareholders Meetings

Date of General Meeting: May 11, 2018	% of attendance in person <sup>12</sup> : 8.09%	% by proxy: 50.07%	% of distance voting: Electronic vote: 0.02%	% of distance voting: Others: 0.58%	Total: 58.76%
Of which is free float:	% of attendance in person <sup>13</sup> : 0.15%	% by proxy: 40.22%	% of distance voting: Electronic vote: 0.02%	% of distance voting: Others: 0.58%	Total: 40.97%
Date of General Meeting: May 31, 2019	% of attendance in person <sup>14</sup> : 8.042%	% by proxy: 47.572%	% of distance voting: Electronic vote: 0.032%	% of distance voting: Others: 0.745%	Total: 56.392%
Of which is free float:	% of attendance in person <sup>15</sup> : 0.114%	% by proxy: 47.427%	% of distance voting: Electronic vote: 0.32%	% of distance voting: Others: 0.745%	Total: 48.318%

<sup>11</sup> The total attendance is 755,730,276 shares, of which 1,438,274 belongs to the Company's treasury shares, and therefore 754,292,002 shares were represented by those attending the General Shareholders' Meeting.

<sup>12</sup> Also includes telematic attendance.

<sup>13</sup> Also includes telematic attendance.

<sup>14</sup> Also includes telematic attendance.

<sup>15</sup> Also includes telematic attendance.

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



Date of General Meeting: May 8, 2020	% of attendance in person <sup>16</sup> : 7.941%	% by proxy: 39.314%	% of distance voting: Electronic vote: 0.049%	% of distance voting: Others: 0.953%	Total: 48.257%
Of which is free float:	% of attendance in person <sup>17</sup> : 0.043%	% by proxy: 39.222%	% of distance voting: Electronic vote: 0.049%	% of distance voting: Others: 0.953%	Total: 40.267%

## 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 8, 2020, the Chairman and the Chief Executive Officer notified shareholders, among other matters, of the following: (i) the Company's situation in view of the current health crisis caused by COVID-19 and the State of Alarm declaration in Spain; (ii) the macroeconomic environment, (iii) results and performance, (iv) the 2020 Resilience Plan, and (v) the strategic overview.

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 and that, to said date, the Company had complied with all the recommendations applicable to it. All proposals on the agenda of the 2020 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	% of share capital in attendance
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 2019.	For	751,563,294	99.639 %
	Against	1,906,125	0.253 %
	Abstained	814,492	0.108 %
Second. Review and approval, if appropriate, of the Statement of Non-Financial Information for fiscal year ended 31 December 2019.	For	752,648,316	99.783 %
	Against	414,721	0.055 %
	Abstained	1,220,874	0.162 %

<sup>16</sup> Also includes telematic attendance.

<sup>17</sup> Also includes telematic attendance.

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



Third. Review and approval, if appropriate, of the proposal for the allocation of results in 2019.	For	753,858,795	99.944 %
	Against	286,794	0.038 %
	Abstained	138,322	0.018 %
Fourth. Examination and approval, if appropriate, of the creation of the “voluntary reserves not arising from profits” account by recognising an initial charge to the “share premium” account, and transfer of the balance of the “reserves for the transition to the 2007 Spanish General Accounting Plan” account to the “voluntary reserves” account.	For	748,783,908	99.271 %
	Against	5,358,081	0.710 %
	Abstained	141,922	0.019 %
Fifth. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2019.	For	721,007,212	95.588 %
	Against	26,440,730	3.505 %
	Abstained	6,835,969	0.906 %
Sixth. 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 ( <i>Sistema de Interconexión Bursátil</i> ), as well as on any other stock exchanges or securities markets where the Company’s shares are or could be listing.	For	747,625,248	99.117 %
	Against	6,539,875	0.867 %
	Abstained	118,788	0.016 %
Seventh. 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 ( <i>Sistema de Interconexión Bursátil</i> ), as well as on any other stock exchanges or securities markets where the Company’s shares are or could be listing.	For	747,609,410	99.115 %
	Against	6,556,119	0.869 %
	Abstained	118,382	0.016 %
Eight. 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	747,176,625	99.058 %
	Against	7,026,030	0.931 %
	Abstained	81,256	0.011 %
Nine. Approval of three new additional cycles of the Beneficiaries' Share Purchase Plan of the Long-Term Incentives Programmes.	For	743,260,147	98.539 %
	Against	10,893,357	1.444 %
	Abstained	130,407	0.017 %
Ten. Approval of a new Long-Term Incentive Program.	For	726,954,586	96.377 %
	Against	25,383,440	3.365 %
	Abstained	1,945,885	0.258 %
Eleven. Advisory vote on the Repsol, S.A. Annual Report on Directors’ Remuneration for 2019.	For	675,553,495	89.562 %

## B. The Repsol Corporate Governance System

### 2. Ownership structure of the Company



	Against	76,844,511	10.188 %
	Abstained	1,885,905	0.250 %
Twelve. Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.	For	752,343,564	99.743 %
	Against	101,011	0.013 %
	Abstained	1,839,336	0.244 %

## 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, 2020 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	<b>Date of birth:</b> 12/03/1948
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer - Executive		30/04/2014	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 06/09/1963
Mr. Manuel Manrique Cecilia	Deputy Chairman - Proprietary Non-Executive		25/04/2013	19/05/2017	General Shareholders Meeting Resolution	<b>Date of birth:</b> 01/01/1954
Ms. Maite Ballester Fornés	Director - Independent Non-Executive	 	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	<b>Date of birth:</b> 13/05/1963
Mr. Rene Dahan	Director - Independent Non-Executive		31/05/2013	22/07/2020	Cooptation	<b>Date of birth:</b> 26/08/1941
Ms. Arantza Estefanía Larrañaga	Director - Independent Non-Executive	 	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 09/05/1963
Ms. Carmina Ganyet i Cirera	Director - Independent Non-Executive	  	11/05/2018	11/05/2018	General Shareholders Meeting Resolution	<b>Date of birth:</b> 08/04/1968
Ms. Teresa García-Milá Lloveras	Director - Independent Non-Executive	 	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 05/07/1955
Mr. José Manuel Loureda Mantiñán	Director - Proprietary Non-Executive	 	31/01/2007	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 20/06/1939
Mr. Ignacio Martín San Vicente	Director - Independent Non-Executive		11/05/2018	11/05/2018	General Shareholders Meeting Resolution	<b>Date of birth:</b> 04/05/1955
Mr. Mariano Marzo Carpio	Director - Independent Non-Executive <sup>18</sup>	  	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	<b>Date of birth:</b> 08/09/1951
Mr. Henri Philippe Reichstul	Director - Other Non-Executive		30/10/2018	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 12/04/1949
Mr. J. Robinson West	Director - Independent Non-Executive		28/01/2015	31/05/2019	General Shareholders Meeting Resolution	<b>Date of birth:</b> 16/09/1946
Ms. Isabel Torremocha Ferrezuelo	Director - Independent Non-Executive	 	19/05/2017	19/05/2017	General Shareholders Meeting Resolution	<b>Date of birth:</b> 25/01/1964
Mr. Luis Suárez de Lezo Mantilla	Director Secretary - Other Non-Executive		02/02/2005	19/05/2017	General Shareholders Meeting Resolution	<b>Date of birth:</b> 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>18</sup> Mr. Mariano Marzo was appointed as Lead Independent Director by the Board of Directors on this meeting held on March 27th 2018.



## Resignations from the Board of Directors in 2020

On July 22, 2020, the Board of Directors acknowledged the letter sent by Mr. Dahan to the members of the Board in which he communicated his resignation as Director, due to the fact that Temasek Holdings (Private) Limited, the shareholder he represented, transferred its entire shareholding in the Company, pursuant to the provisions of Article 16.2 of its Regulations and Recommendation 24 of the Company's Code of Good Governance. On the same day, the Board of Directors agreed to ratify his appointment by co-optation and re-election as Independent External Director.



#### MR. ANTONIO BRUFAU NIUBÓ

#### CHAIRMAN OF THE BOARD OF DIRECTORS

##### *Other Non-Executive*

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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 Repsol's transformation process, today consolidated as a global multi-energy company, leading the transition to a more sustainable energy model and becoming the first company in its sector to commit to zero net emissions by 2050.

**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), 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.

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#### MR. JOSU JON IMAZ

##### CHIEF EXECUTIVE OFFICER

###### *Executive*

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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. He was also Vice-Chairman of Gas Natural SDG, S.A. from September 2016 to February 2018.

Since he was appointed CEO in 2014, he has led the Company's transformation process, today consolidated as a global multi-energy company, a major player in the electricity and gas market in Spain, leading the development of sustainable mobility solutions and operating one of the most efficient refining systems in Europe. Under his management, Repsol has accelerated the decarbonization process of its assets, becoming one of the leaders of the energy transition in Spain and the first company in its sector to commit to zero net emissions by 2050.

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

**Comisiones del Consejo a las que pertenece:** Member of the Delegate Committee.

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#### MR. MANUEL MANRIQUE CECILIA

##### DEPUTY CHAIRMAN

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

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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.

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**MS. MAITE BALLESTER FORNÉS**

***Independent Non-Executive***

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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 also was President of the Spanish Association of Venture Capital Entities (ASCRI) from 2010 until 2012.

**Other relevant positions:** She is currently a Director of Promotora de Informaciones, S.A. (PRISA), Prisa Radio, S.A. and member of its Audit Committee, member of 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 Nexxus Iberia I.

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

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#### MR. RENE DAHAN

##### *Independent Non-Executive*

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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.

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#### MS. ARANTZA ESTEFANÍA LARRAÑAGA

##### *Independent Non-Executive*

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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

## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



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.

Since 2013, 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. She is also an Independent Director at CIE Automotive, S.A. and at Global Dominion Access, S.A.

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

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#### MS. CARMINA GANYET I CIRERA

##### *Independent Non-Executive*

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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. In addition, 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. She is also member of its ESG Committee.

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 Vice President 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.

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**MS. TERESA GARCÍA-MILÁ LLOVERAS**

***Independent Non-Executive***

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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 Banco Sabadell, 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-Mila is an honorary member of the Spanish Economics Association (of which she has been President), member of the Economic Affairs Advisory Board of the Ministry of Economic Affairs and Digital Transformation, member of the Management Board of the "Centre de Recerca en Economia Internacional" (CREI) research centre, and Vice-President of the board of trustees of the Institute for Political Economy and Governance (IPEG).

Ms. García-Mila 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.

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**MR. JOSÉ MANUEL LOUREDA MANTIÑÁN**

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

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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 on 30 April 2015 and 31 May 2019.

**Education:** Loureda has a bachelor's degree and a PhD 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 Sacyr Servicios, 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.

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**MR. IGNACIO MARTÍN SAN VICENTE**

***Independent Non-Executive***

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

**Education:** Mr. Martín holds a degree in Industrial Electrical Engineering from the University of 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.

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**MR. MARIANO MARZO CARPIO**

**LEAD INDEPENDENT DIRECTOR**

***Independent Non-Executive***

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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 from the Universidad de Barcelona.

**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 characterization 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 Fossil Fuel Geology in the Faculty of Earth Sciences of the Universidad de Barcelona (Department of Earth and Ocean Dynamics), where he has developed his teaching career as a researcher, academic, columnist and lecturer. Since 2019, he is Director of the Chair in "Energy Transition University of Barcelona-Repsol Foundation". Likewise, he is 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" where he is currently a numerary member.

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

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**MR. HENRI PHILIPPE REICHSTUL**

***Other Non-Executive***

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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 São Paulo University and has completed postgraduate studies at Hertford College, Oxford.

**Experiencia:** 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.

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**MS. ISABEL TORREMOCHA FERREZUELO**

***Independent Non-Executive***

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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 Indra 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:** Chairwoman of the Audit and Control Committee and member of the Sustainability Committee.

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#### MR. J. ROBINSON WEST

##### *Independent Outside Director*

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Mr. West was appointed Director at Repsol by resolution of the Board of Directors on January 28th, 2015. His appointment was ratified and he was reelected at the Annual General Meeting on April 30th, 2015 and on May 31st, 2019.

**Education:** Graduate of the University of North Carolina Chapel Hill and Jurist Doctor from Temple University Law School in Philadelphia.

**Previous experience:** Mr. West is a renowned international expert in energy markets, especially areas related to oil & gas. In 1984 he founded PFC Energy, a company over which he presided until 2013.

Before founding PFC Energy, he held positions of responsibility in government with different administrations. During the Reagan administration, as an Assistant Secretary of the Interior, he developed and implemented the five-year leasing plan for the U.S. Outer Continental Shelf (OCS), the largest non-financial auction in the world at that time.

He served in the Ford administration as the Deputy Assistant Secretary of Defense for International Economic Affairs, for which he received the Secretary of Defense Medal for Outstanding Civilian Service.

**Other positions of note:** He currently heads the Center for Energy Impact of the Boston Consulting Group and is also a Member of the National Petroleum Council, the Council on Foreign Relations, Chairman of the German Marshall Fund of the United States and Chairman Emeritus of the United States Institute of Peace.

**Membership of board committees:** Member of the Delegate Committee.

\* \* \*

**MR. LUIS SUÁREZ DE LEZO MANTILLA**

**SECRETARY OF THE BOARD OF DIRECTORS**

***Other Non-Executive***

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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 holds a law degree from the Universidad Complutense and is a State Lawyer (on leave). He specializes 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, a position he held until December 2019, when his executive duties ended.

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 Secretary of the Board of Directors of Repsol, S.A. and Vice-Chairman 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



## 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>19</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
	LATAM AIRLINES GROUP, S.A.	Director
Isabel Torremocha Ferrezuelo	INDRA SISTEMAS, S.A.	Director
Maite Ballester Fornés	PROMOTORA DE INFORMACIONES S.A. (PRISA).	Director
Arantza Estefanía Larrañaga	CIE AUTOMOTIVE, S.A.	Director
Arantza Estefanía Larrañaga	GLOBAL DOMINION ACCESS, 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>19</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 stands above the IBEX-35 average in terms of the presence of women on the Board, which at the end of 2019 stood at 27.5%<sup>20</sup>. Notwithstanding the above, in accordance with the new Recommendation 15 of the Good Governance Code, Repsol has adopted the commitment to increase the percentage of women on the Board so that it reaches at least 40% of Board members before the end of 2022 and has reflected this in its Diversity Policy in the composition of the Board of Directors and the Selection of Directors.

### Women's presence on the Council in 2020



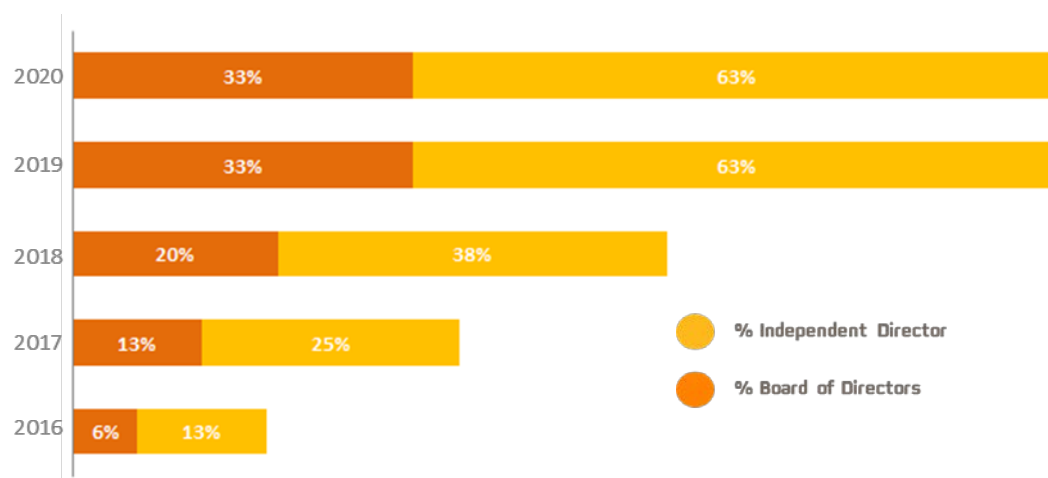
33.3%

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

Board of Directors	2020 Nº: 5	33%	2019 Nº: 5	33%	2018 Nº: 3	20%	2017 Nº: 2	12,5%
Delegate Committee	2020 Nº: 0	-	2019 Nº: 0	-	2018 Nº: 0	-	2017 Nº: 0	-
Audit and Control Committee	2020 Nº: 4	100%	2019 Nº: 4	100%	2018 Nº: 3	60%	2017 Nº: 2	40%
Nomination Committee	2020 Nº: 3	75%	2019 Nº: 3	75%	2018 Nº: 1	25%	2017 Nº: 0	-
Compensation Committee	2020 Nº: 2	50%	2019 Nº: 2	50%	2018 Nº: 1	25%	2017 Nº: 0	-
Sustainability Committee	2020 Nº: 2	50%	2019 Nº: 2	50%	2018 Nº: 0	-	2017 Nº: 0	-

With regard to the percentage of Independent Non-Executive Directors, the category to which all women that form part of the Board belongs, this figure rose from 12.5% in 2016 to 55.55% in 2020.

### Female Directors



<sup>20</sup> According to the information published by the CNMV on July 8, 2020: <http://www.cnmv.es/Portal/verDoc.axd?t=%7B8e231ab6-4d7a-4617-98d4-ff41b22aca64%7D>

## Promoting diversity

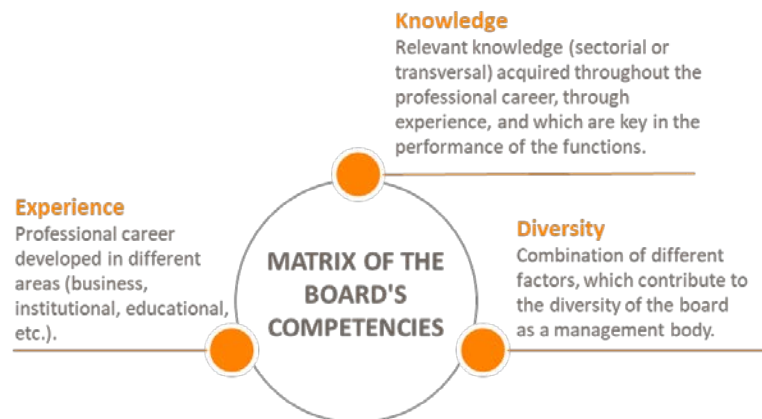
The Company has a Policy on Diversity in the Composition of the Board of Directors and the Selection of Directors, which establishes the diversity criteria, in a broad sense, that must be fulfilled with respect to the composition of the Board of Directors. In accordance with that policy, candidates for Directors must be individuals whose appointment favors the diversity of skills, knowledge, experience, nationalities, age and gender within the Board of Directors, so as to achieve a diverse and balanced composition of the Board as a whole, which enriches decision-making and contributes multiple perspectives to the discussion of the matters within its competence.

Moreover, the Board Regulations expressly grant the Nomination 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 Nomination Committee is responsible for ensuring that the Board Member selection procedures are free from any implicit bias that may imply any kind of gender, ethnic origin, age or disability discrimination, among others, and shall always ensure that potential candidates for Board Members include women who meet the professional profile being sought. In this way, the number of female Board Members shall represent at least 40% of the total number of members of the Board of Directors by the end of 2022. The Nomination Committee also draws up a matrix of the Board's competencies, which is updated annually.

Moreover, Repsol's Global Sustainability Plan establishes a series of specific objectives and challenges for 2021, based around core points of the Sustainability model: climate change, people, safe operation, innovation and technology, and ethics and transparency.



## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



#### Board diversity

##### Nationality



Spain



Netherlands



U.S.A.

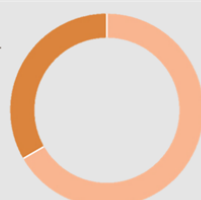


Brazil

##### Gender

**33%**

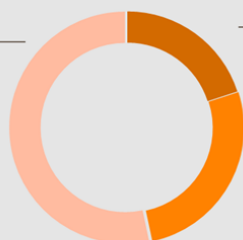
5 women



##### Years on the Board of Directors

**53%**

0-3 years



**20%**

More than 7  
years

**27%**

4-7 years

##### Board of Director's skills



**87%**  
Top  
Management



**60%**  
Institutional  
experience and  
Public Sector



**80%**  
Energy sector  
knowledge



**87%**  
Legal and corporate  
governance



**93%**  
International  
experience



**47%**  
Technology



**73%**  
Financing and  
accounting



**53%**  
University and  
investigation



**93%**  
Risk  
management



**27%**  
Commercial /  
Retail



**87%**  
Strategy



**60%**  
Sustainability

#### Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members

The Board of Directors, at its meeting held on February 17, 2021, approved the modification of the Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members in order to align it with the requirements of Article 529 bis of the Capital Companies Act - and recommendations 14 and 15 of the CNMV's Code of Good Governance for Listed Companies published on June 26, 2020. In compliance with the principles contained in the Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members, the Nomination Committee has carried out throughout the year analysis of the structure, size and composition of the Board of Directors, as well as the skills, knowledge and experience required on the Board.

In 2020, the Board of Directors did not have any vacancy as such. However, on July 22, upon the transfer by Temasek Holdings (Private) Limited of its entire shareholding in Repsol, Mr. Dahan resigned as an Proprietary Non-Executive Director, and the Board of Directors agreed to his re-election and reclassification as an "Independent Non-Executive Director" on the same date.

## Director selection process

The director selection process is governed by the Policy on Diversity in the Composition of the Board of Directors and Selection of Directors, approved by the Board on December 16, 2015<sup>21</sup> and amended on February 17, 2021.

## 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.

It should also be noted that in 2020 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.

### 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.

<sup>21</sup> The Policy on Diversity in the Composition of the Board of Directors and the Selection of Directors is available on the corporate website.

## 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:
    - 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.
    - Executive Directors, when they cease to hold the executive positions outside the Board with which their appointment as Director is associated.

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 2020, 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 Act.

### 3.2. Competencies of the Board of Directors

The Board of Directors of Repsol met on 11 occasions in 2020<sup>22</sup>. The Board of Directors has not registered any absences of any of its members. Given the situation caused by Covid-19 and the restrictions and recommendations established by the competent authorities regarding the mobility and joining of people, the Board has only held meetings with physical presence in January and February, having held the rest through telematic means.

No. Of Board meetings <b>11</b>		% of total attendance at <b>100%</b> meetings	
<b>11</b>	No. of meetings with attendance in person or by proxy with specific instructions from all the Directors.	<b>100%</b>	Of attendance in person over total votes during the year.
<b>11</b>	No. of meetings with attendance at least 90% of Directors.	<b>100%</b>	Of votes issued with attendance in person and by proxy with specific instructions over total votes during the year.
<b>0</b>	No. of meetings held without the Chairman.		

### Attendance at Board of Directors meetings

Director	In person	By proxy	% of attendance in person in 2020
Antonio Brufau Niubó	11	--	100%
Josu Jon Imaz San Miguel	11	--	100%
Manuel Manrique Cecilia	11	--	100%
Maite Ballester Fornés	11	--	100%
Rene Dahan	11	--	100%
Carmina Ganyet i Cirera	11	--	100%
José Manuel Loureda Mantiñán	11	--	100%
Ignacio Martín San Vicente	11	--	100%
Henri Philippe Reichstul	11	--	100%
Mariano Marzo Carpio	11	--	100%
J. Robinson West	11	--	100%
Luis Suárez de Lezo Mantilla	11	--	100%
Isabel Torremocha Ferrezuelo	11	--	100%
Arantza Estefanía Larrañaga	11	--	100%
Teresa García-Milá Lloveras	11	--	100%

### 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

<sup>22</sup> On May 8, 2020, the meeting was held by means of the written voting procedure without meeting, as provided for in Article 10.3 of the Regulations of the Board of Directors of Repsol.



between the Company and the Directors, significant shareholders represented on the Board or persons related to them.

## 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 inadvisable 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 2020

In 2020 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 2019.
- Approval of quarterly financial statements, of the first and third quarter of 2020.
- Approval of the Interim Financial Report corresponding to the first semester 2020, and the annual financial statements of 2019.
- Annual Corporate Governance Report for 2019.
- Annual Remuneration Report 2019.
- 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 2016-2019. Proposal of Long Term Incentive 2020-2023.
- Call of the AGM 2020, preparation of the proposals for agreements and reports on said proposals and execution of the agreements adopted.
- Annual Budget 2020 and budget monitoring and results of the exploratory activity 2019.
- Investments and operations of the Company reserved for the approval of the Board of Directors.
- Approval of operations with significant shareholders.
- Reports regarding Tax Policies applied by the Company.
- Renewal of the EMTN Program of Repsol International Finance, B.V.
- Addax Arbitration Report Repsol Flexible Dividend Program.
- 2020 Resilience Action Plan - global vision and response to Covid-19
- Reflection and approval of the new Strategic Plan 2021-2025.
- Follow-up of the strategic commitments.
- Organizational evolution of the Top Management.
- Repsol Group corporate structure.
- Report on technologies for energy transition.
- Digital Program follow-up
- 2021 Share Purchase Plan
- Self-evaluation of the functioning of the Board of Directors and its Committees.
- Appointment and re-election of trustees of the "Fundación Repsol".
- Partial revision of the Corporate Governance Code for listed companies.
- 2021 Board of Directors and Delegated Committee meeting schedule

### 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

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

#### Main responsibilities of the Lead Independent Director

Mr. 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 the meetings of the Board and its Committees so as to report on the matters within their competence, and on any other matter that may affect the Company's performance. However, 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 different Board of Directors' Committees meet periodically with the heads of the different corporate and business areas with responsibility in their areas of competence.

## Director training

Repsol offers ongoing training programs and refresher courses on subjects in which the Directors have shown an interest. Among other matters, in 2020 training and information sessions were carried out in relation to the following content:

### Board of Directors

Tax policies applied by the Company, technologies for energy transition, global vision and response to Covid-19, digitalization, emissions reduction and hydrogen technology.

### Audit and Control Committee

Management of trading, communication and reputational risks, the alignment with personal data protection regulations, the Internal Control System for Financial and Non-Financial Information and the CNMV's new Code of Good Governance for listed companies.

### Sustainability Committee

Report on ESG (Environmental, Social and Governance) analysts and investors, results and report on the Carbon Disclosure Project (CDP) and progress on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), natural capital and biodiversity, safety culture, progress on energy, climate change, community relations and human rights, 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.

### Orientation Program for New Directors

#### 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

#### 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.

#### Assessment of the Board of Directors

Repsol is fully committed to the performance of its corporate governance, adopting the best international practices applicable to it. With the aim of continuous improvement and in accordance with the provisions of Article 45quáter of the Bylaws and Article 11 of the Regulations of the Board of Directors, Repsol evaluates annually the functioning, quality and efficiency of the functioning of the Board of Directors and its Committees and, on the basis of the conclusions reached, prepares an action plan with the main work areas. Furthermore, at least once every three years, the Board of Directors shall be assisted in the evaluation by an external consultant.

In this regard, at the June 22, 2020 Board of Directors meeting, at the proposal of the Nomination Committee, it was agreed to commence the selection process of the external firm in charge of the assessment, by delegating the coordination of the project to the Nomination Committee's Chairwoman. Subsequently, at the meeting of the Board of Directors held on September 30, 2020, it was agreed, upon proposal of the Nomination Committee, to award KPMG Asesores, S.L. the assessment of the Board in its self-evaluation work for the 2020 fiscal year.

In accordance with the foregoing, the independent company KPMG has assessed the Board of Directors in the evaluation of its operation and its Committees

during the year 2020 and in particular the performance of the Chairman of the Board of Directors, the Chief Executive Officer and the General Counsel and Secretary of the Board. The process was coordinated by the Chair of the Nomination Committee and the Secretary of the Board of Directors and concluded with the approval of the Conclusions Report and Action Plan at the Board of Directors' meeting of February 17, 2021.

The evaluation process has been carried out through individual interviews conducted by KPMG with each of the Board Members in order to ascertain their opinion on different issues related to the functioning of the Board and its Committees (including organization, composition, training, assessment, incorporation of new Board Members, information provided, development of the meetings, quality of the discussions, responsibilities and skills) as well as the performance of the Chairman of the Board of Directors, the Chief Executive Officer, the Secretary of the Board of Directors, in order to assess the perception of the Board Members regarding the performance of the Board of Directors and its Committees. The interviews were preceded by the fulfillment of an individual questionnaire by each of the Board Members with their assessments on the above-mentioned issues.

In view of the Report prepared by KPMG and after analyzing the information gathered, and following the report issued by the Nomination Committee, the Board of Directors approved an Action Plan at its meeting held on February 17, 2021, which includes some measures related to the reflection on strategy and energy transition, presentations to the Board and executive summaries, information on the perception of investors and analysts, and plans for the succession of key people in the Company.

With regard to the independence of the firm that has assessed the evaluation of the Board of Directors and its Committees, it should be noted that the business relationships that the KPMG Group and the Repsol Group have maintained during the 2020 financial year amounted to a total of 3.9 million euros. These relationships mainly related to the following services:

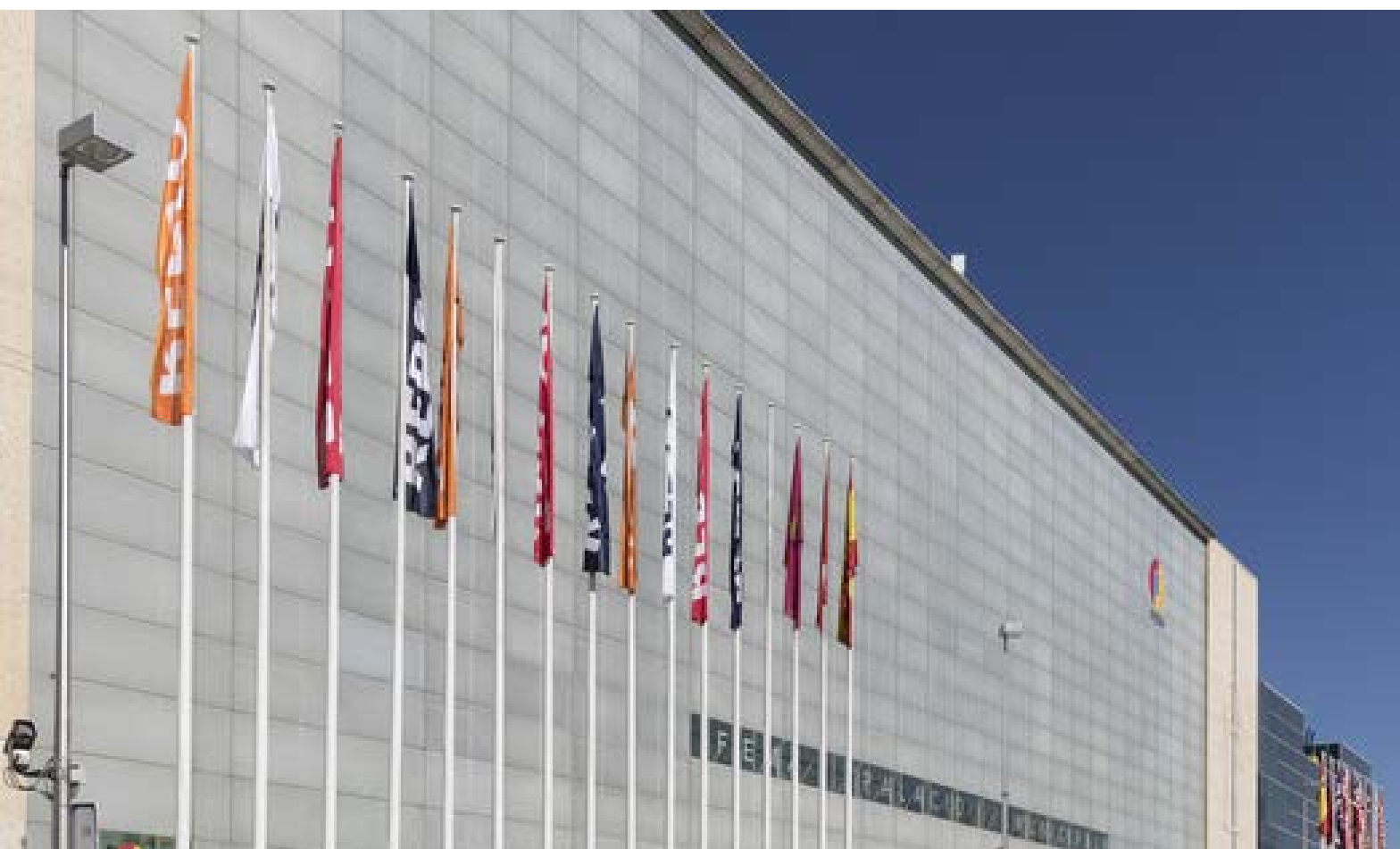
## B. The Repsol Corporate Governance System

### 3. Repsol's governance body



- Tax advice
- IT applications and services advisory services.
- Legal and litigation advice.
- Advice on training programs.
- Advice on corporate and business development matters.
- Regulatory issues advisory.
- Immigration, international removals and relocation services.

The annual worldwide revenue of the KPMG Group amounts to approximately 29,750 million euros while in Spain it amounts to 483 million euros, so that the amounts paid by the Repsol Group do not represent a significant percentage of the total KPMG revenue, both worldwide and in Spain. Thus, there are no objective reasons to question the independence of KPMG as an external consultant to assess the evaluation of the Board and its 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.

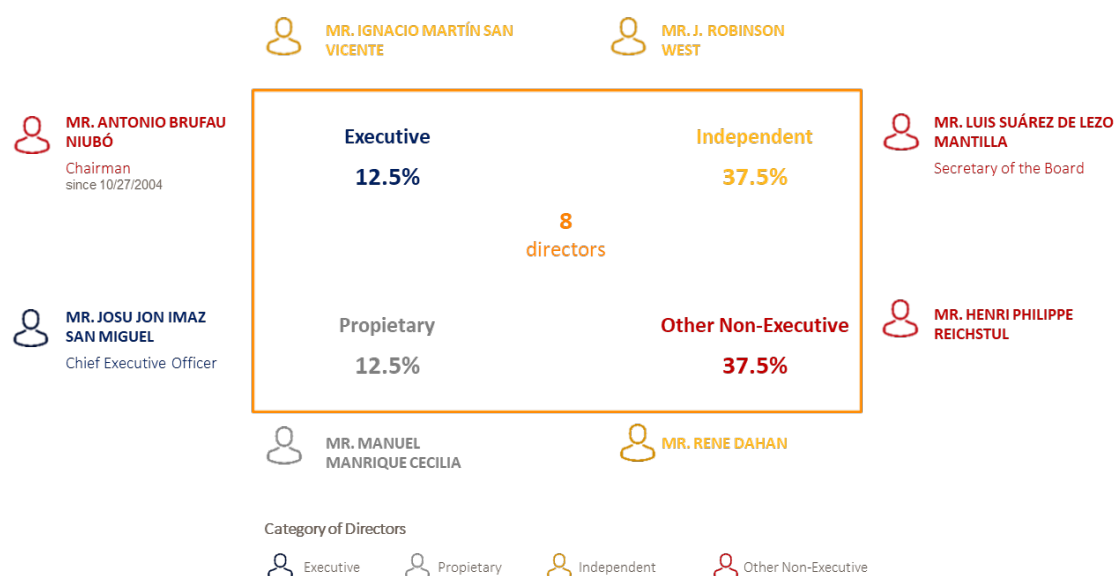
The Committees establishes an annual calendar of meetings, as well as an Action Plan for each year.

### 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 2020

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 2020: **4**

#### Main activities

- Reflection on the Strategic Plan
- Approval of investment projects for amounts over EUR 40 million.
- Analysis and monitoring of relevant projects for the Company.
- Exploratory activity.
- Self-evaluation of the functioning of the Committees.

### Attendance at Delegate Committee meetings

Director	In person	By proxy	% of attendance in person in 2020 <sup>23</sup>
Mr. Antonio Brufau Niubó	4	--	100%
Mr. Josu Jon Imaz San Miguel	4	--	100%
Mr. Manuel Manrique Cecilia	4	--	100%
Mr. Rene Dahan	4	--	100%
Mr. Ignacio Martín San Vicente	4	--	100%
Mr. Henri Philippe Reichstul	4	--	100%
Mr. J. Robinson West	4	--	100%
Mr. Luis Suárez de Lezo Mantilla	4	--	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.

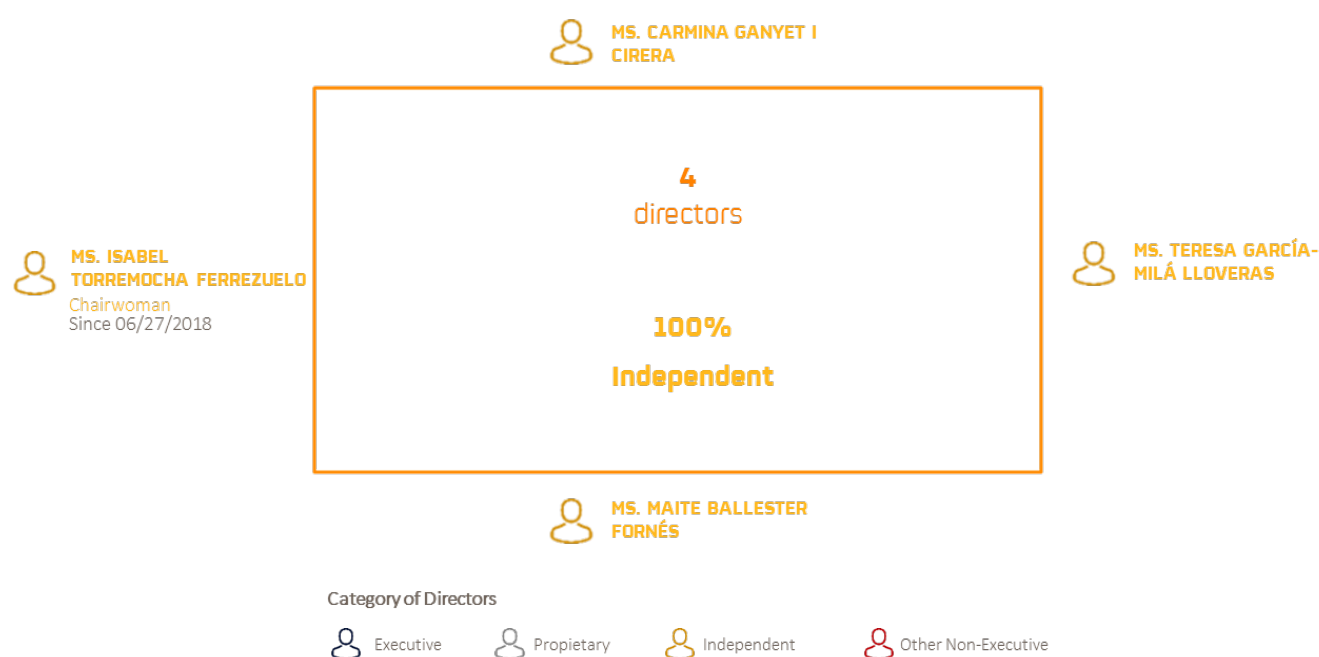
The Committee will also prepare an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website along with the call notice for the Annual General Meeting.

<sup>23</sup> Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

## 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 and risk management, both financial and non-financial. 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.

Directors appointed based on their expertise and experience in accounting, auditing and risk management

- Maite Ballester Fornés
- Carmina Ganyet i Cirera
- Teresa García-Milá Lloveras
- Isabel Torremocha Ferrezuelo

## Competences and activities in 2020

The Committee supports the Board of Directors in its supervisory duties, by regularly reviewing the preparation of economic and financial and non-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 and non-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 2020: **9**

### 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 and reports on the management of trading and reputational risks.
- Review of the reports and recommendations issued by Internal Audit.
- Analysis of communications received regarding accounting, internal accounting and auditing controls.
- Report regarding the compliance with obligations related to the stock market.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.

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 2020 <sup>24</sup>
Ms. Isabel Torremocha Ferrezuelo	9	--	100%
Ms. Maite Ballester Fornés	9	--	100%
Ms. Carmina Ganyet i Cirera <sup>(1)</sup>	8	1	89%
Ms. Teresa García-Milá Lloveras	9	--	100%

(1) Due to other commitments made prior to the convening of the meeting on January 28, 2020, Ms. Ganyet attended the meeting represented by Ms. Torremocha. The documentation of the meeting was sent to it prior to its celebration, so Ms. Ganyet transmitted her considerations on it and voting instructions prior to the meeting.

<sup>24</sup> Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

#### 4.3. Nomination Committee

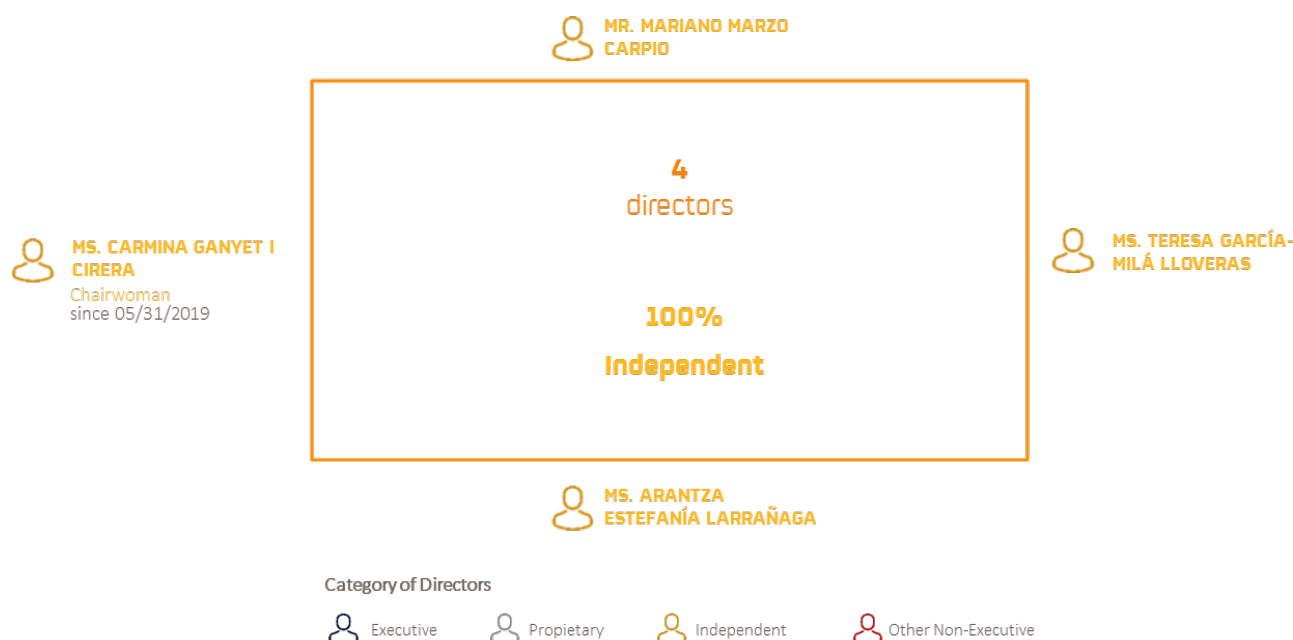
This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

On February 20, 2019, the CNMV published Technical Guide 1/2019 on Nomination and Remuneration Committees, which includes some good practices and additional criteria on the scope of the functions and responsibilities of the nomination and remuneration committees, which the Committee has analyzed, implementing all those it considered most appropriate.

#### 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 2020

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 2020: **6**

#### 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.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.
- Review of the Management Talent Map

### Attendance at Nomination Committee meetings

Director	In person	By proxy	% of attendance in person in 2020 <sup>25</sup>
Ms. Carmina Ganyet i Cirera	6	--	100%
Mr. Mariano Marzo Carpio	6	--	100%
Ms. Arantza Estefanía Larrañaga <sup>(1)</sup>	5	1	83%
Ms. Teresa García-Milá Lloveras	6	--	100%

(1) Due to other commitments made prior to the convening of the meeting on February 19, 2020, Ms. Estefanía attended the meeting represented by Ms. Ganyet. The documentation of the meeting was sent to it prior to its celebration, so Ms. Estefanía transmitted her considerations on it and voting instructions prior to the meeting.

<sup>25</sup> Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

#### 4.3. Remuneration Committee

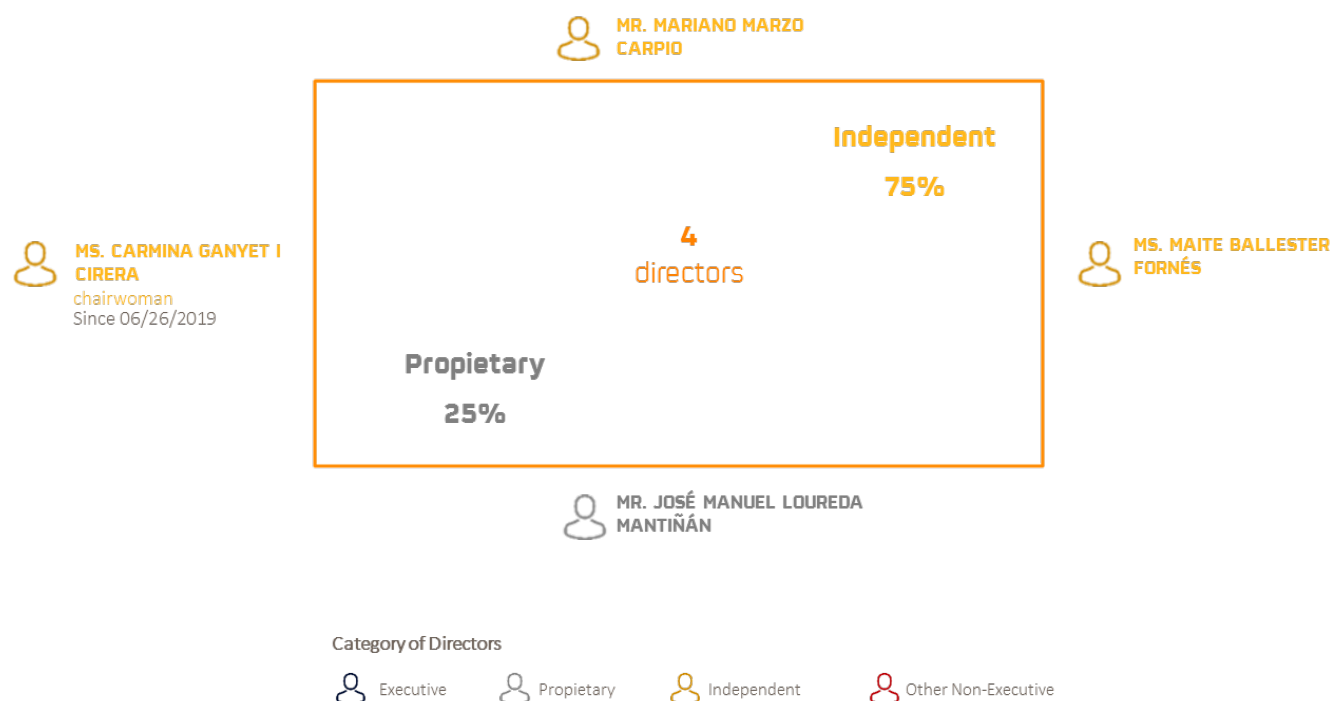
This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

On February 20, 2019, the CNMV published Technical Guide 1/2019 on Nomination and Remuneration Committees, which includes some good practices and additional criteria on the scope of the functions and responsibilities of the nomination and remuneration committees, which the Committee has analyzed, implementing all those it considered most appropriate.

#### Composition

The Remuneration 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 2020

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 2020: **3**

### Main activities

- Report on the proposed liquidation of the Long-Term Incentive Program ILP 2017-2020 and on the proposal of the new Long-Term Incentive Program with partial allocation in shares 2020-2023.
- Proposal of remuneration for membership of the Board of Directors and its Committees for the 2020 financial year.
- Proposal of additional remuneration of the Chief Executive Officer for the performance of executive duties.
- Verification of the information on remuneration of Directors and Senior Executives included in the Consolidated Financial Statements for the years ended December 31, 2019 and compliance with the Directors' Remuneration Policy approved by the General Shareholders' Meeting.
- Proposals and reports for the 2020 Annual General Meeting regarding: Proposals and reports for the Annual General Meeting related to:
  - Approval of new additional cycles of the Share Purchase Plan by the beneficiaries of the Long-Term Incentive Programs.
  - Approval of the new Long-Term Incentive Programs with partial allocation in shares.
  - Annual Report for remunerations of the Board of Directors pursuant to exercise 2019.
- Definition of the objectives for the Long-Term Incentive (2020-2023) and adaptation of the objectives of the Long-Term Incentive Programs ILP 2018-2021 and ILP 2019-2022 to the new Strategic Plan 2021-2024.
- Report on the evolution of employee composition and staff costs in the 2021-2025 Strategic Plan.
- Evaluation of the functioning of the Committee.
- Alignment of internal regulations with the modifications introduced in the recommendations of the CNMV's Good Governance Code for Listed Companies.

## Attendance at Compensation Committee meetings

Director	In person	By proxy	% of attendance in person in 2020 <sup>26</sup>
Ms. Maite Ballester Fornés	3	--	100%
Ms. Carmina Ganyet i Cirera	3	--	100%
Mr. José Manuel Loureda Mantiñán	3	--	100%
Mr. Mariano Marzo Carpio	3	--	100%

<sup>26</sup> Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

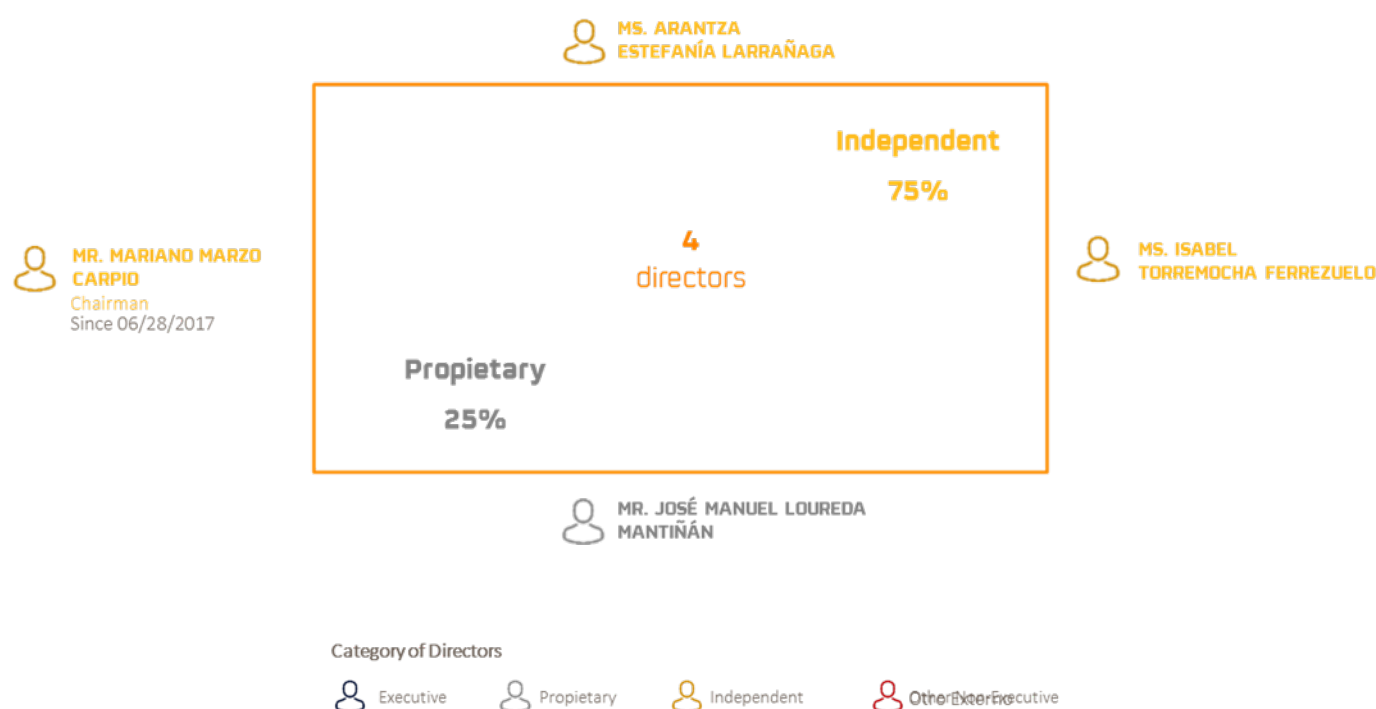
#### 4.3. Sustainability Committee

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, who must be exclusively External or Non-Executive Directors, being the majority of them Independent Non-Executive Directors. 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 2020

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.

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.



Number of meetings in 2020: **4**

#### Main activities

- Monitoring of the non-financial information. Integrated Management Report 2019.
- Monitoring of the sustainability strategy of the Company: proposal and follow-up of the 2020 objectives; 2019 evaluation and closing of the objectives 2019.
- 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.
  - Natural Capital and Biodiversity
- 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
- Strategic Safety and Environmental Projects
- Repsol Safety Culture.
- Materiality Analysis 2020.
- 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 2020.

### Attendance at Sustainability Committee meetings

Director	In person	By proxy	% of attendance in person in 2020 <sup>27</sup>
Mr. Mariano Marzo Carpio	4	--	100%
Mr. José Manuel Loureda Mantiñán	4	--	100%
Ms. Arantza Estefanía Larrañaga	4	--	100%
Ms. Isabel Torremocha Ferrezuelo	4	--	100%

<sup>27</sup> Given the situation caused by Covid-19 and the restrictions and recommendations adopted by the competent authorities regarding the mobility and people assembling, the Commission has only held meetings with a physical presence in January and February, the remaining meetings having been held by telematic means.

## 5. Remuneration of Directors and Senior Management

**10,301:** Remuneration accrued in 2020 by the Board of Directors

**2,458:** Amount of accumulated pension rights of current Directors

**0:** Amount of accumulated pension rights of former Directors

**11,917<sup>28</sup>**

Total remuneration of Senior Management in 2020

(thousand of euros)

### Breakdown of the members of Senior Management in 2020 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

On December 16, 2020, the Board of Directors approved the new management structure, effective January 1, 2021, in order to achieve the Strategic Plan presented by the Company. In this regard, Repsol's Executive Committee is now made up of the following people:

- Josu Jon Imaz, Chief Executive Officer (CEO).
- Luis Cabra, EMD of Energy Transition, Sustainability and Technology; Deputy to the CEO
- Antonio Lorenzo, Chief Financial Officer (CFO)
- María Victoria Zingoni, EMD of Customer and Low Carbon Generation
- Tomás García, EMD of Exploration and Production

<sup>28</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. The percentage of women out of the total number of members of Senior Management is 33%, and the percentage of remuneration received by female managers out of the latter's total remuneration is 38.9%. It should also be noted that this amount does not include the amounts paid to management personnel who have left the Company as termination benefits and compensation for the non-competition agreement, which amount to 5.357 million euros.

- Arturo Gonzalo, EMD of Communications, Institutional Relations and Chairman's Office
- Miguel Klingenberg, EMD of Legal Affairs
- Juan Abascal, ED of Industrial Transformation and Circular Economy
- Carmen Muñoz, CD of People & Organization
- Valero Marín, CD of Digitalization and Global Services

### **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 and another 234 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 its resignation 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.

## **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 inadvisable 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.) 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 26 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: Sacyr, S.A.	Name of company or group Company: Repsol, S.A.	Relationship: Corporate	Type of transaction: Dividends and other distributed income	Amount (thousand euros): 57,876
Name of controlling shareholder: Sacyr, S.A.	Name of company or group Company: Repsol Renovables, S.L.U	Relationship: Commercial	Type of transaction: Other (Commitments given)	Amount (thousand euros): 56,000
Name of controlling shareholder: Temasek Holdigs (Private) Limited <sup>(1)</sup>	Name of company or group Company: Talisman Corridor Ltd, Branch	Relationship: Commercial	Type of transaction: Sale of assets (finished or work in progress)	Amount (thousand euros): 34,862

(1) Transactions related to the Temasek Group are considered to have been carried out until April 16 (date of sale of its entire shareholding).

#### 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)	293

The Note 27 and 28 of the 2020 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, Mr. Josu Jon Imaz San Miguel, and by the CFO, Mr. 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.

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 Chair 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

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#### External auditor

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

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#### 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>29</sup> for this work and the percentage they represent of the approved fees to the Company and/or its Group, for the year 2020:

Amount of non-audit work (thousands of euros) <sup>(1)</sup>	Company:	Group companies:	Total:
	324	515	839
Amount of non-audit work / Amount of audit work (%)	Company:	Group companies:	Total:
	9%	12%	11%

(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).

### 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

No. of consecutive years	Separate: 3	Consolidated: 3
No. of years audited by current audit firm / No. of years that the Company or its Group has been audited (%)	Separate: 8.82%	Consolidated: 10%

<sup>29</sup> Amounts approved by the Audit and Control Committee for the year 2019.



## **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 1/2020 is included in “Annex II Risks” of the Consolidated Report, of which this Annual Corporate Governance Report forms part as Annex VII.

### **8.1. Systems of Internal Control over Financial Reporting (ICFR)**

#### **Control environment**

##### **Bodies responsible**

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 it, such as drafting the separate and consolidated Financial Statements and Management Report and submitting them to the General Shareholders’ Meeting. The Board of Directors 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.

Such 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 and non-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. The members of the Audit and Control Committee, and in particular its Chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial. Likewise, some of its members must have such financial experience as may be required by the regulatory bodies of the securities markets on which the Company's shares or securities are listed.

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 and evaluate the preparation and presentation of mandatory financial and non-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 and non-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 and non-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, providing the shareholders with a summary of said opinion at the time of publication of the call to the meeting.
- 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.
- Supervise compliance with the internal Codes of Ethics and Conduct, ensuring that the corporate culture is aligned with its purpose and values, and 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 Corporate Department the responsibilities associated with the study, design, approval and implementation of organizational structures and sizing, as well as the maintenance of the company's regulatory body and its availability to all employees.

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.

Represented by means of an organization chart and the sizing's define. Approval of a structure requires the line and the People and Organization Corporate Department approver, according to the levels and the principle established in the regulations whereby a 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.

The People and Organization area is responsible for implementing organizational changes in the people management system which makes it possible to ensure compliance with the requirements established as regards internal control.

On the other hand, internal regulations are established as a management tool, whose main objectives are to reinforce control systems and ensure compliance with external and internal requirements; to provide action criteria that facilitate employees' understanding of their responsibilities; to assist in the risk management and control; and to contribute to a more agile and orderly execution of the company's activities.

The Corporate People and Organization Department is responsible for keeping the company's regulatory body up to date. This is carried out through a process that ensures the involvement of the affected areas in the preparation of the different regulatory documents, their consistency with the hierarchy and structure of the regulatory body and their approval at the appropriate level. It also ensures that the regulations are adequately disseminated and made available to all employees.

- **Ethics and Conduct Code and body responsible for ensuring its 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 those to whom it is directed 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

## B. The Repsol Corporate Governance System

### 8. Risk control and management



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 every employee should know and respect when they join, regardless of the area or business they will be working in, including a 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 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, competition, criminal prevention, protection of personal data and workplace mobbing. In addition, it has deployed a global training plan on basic ethics and compliance regulations, including micro-learning on gifts and benefits, conflicts of interest, anti-corruption and due diligence with third parties, as well as face-to-face or synchronous sessions for the most exposed groups.

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.

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 Communication & Institutional Relations, the Corporate Director of People and Organization<sup>30</sup>, 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. Twelve 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 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

<sup>30</sup> Ms. Carmen Muñoz —Corporate Director of People and Organization—, was appointed member of the Ethics and

Compliance Committee at its meeting held on January 20, 2021.

fostering of cooperative relationships with governments and the firm intention to strive to avoid significant risks and unnecessary conflicts.

A new "Privacy and personal data protection" policy has been approved this year, whose goal is to guarantee the right to the protection of the personal data of all individuals who relate to Repsol Group companies, ensuring respect for the right to honor and privacy in the processing of the different types of personal data.

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 Crime Prevention Model or suspected breaches of that. In addition, Repsol has a Crime Prevention Manual designed to improve the understanding of criminal risks and the actions and conduct expected of employees. In 2020, this plan included carrying out new classroom-based face-to-face or synchronous training sessions for new managers, managers of industrial complexes and key personnel in countries, as well as an online course for those responsible for managing the controls of the Crime Prevention Model and the communication channels likely to receive communications related to the Crime Prevention Model.

- **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 a communications channel, the "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 as well as any matters related to accounting, internal control and audit, 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.

- **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.

## Risk assessment in financial reporting

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

- 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 2020 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.

## Control activities

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

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.
- 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 e, 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 3.5 "Accounting Estimates and judgements" of the Repsol Group's Consolidated Financial Statements for 2020, they include those relating to reserves of crude oil and gas, 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 2020, 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 Management 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 2020, 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.

#### **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, 2020, 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
<b>Recommendation 1</b> <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>	Complies			
<b>Recommendation 2</b> <p>When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about:</p> <p>a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.</p> <p>b) The mechanisms in place to resolve any conflicts of interest.</p>				Not applicable
<b>Recommendation 3</b> <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>	Complies			



Recommendation	Complies	Partially complies	Explanation	Not applicable
<p><b>Recommendation 4</b></p> <p>The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with the rules on market abuse and gives equal treatment to shareholders who are in the same position. The company should make said policy public through its website, including information regarding the way in which it has been implemented and the parties involved or those responsible its implementation.</p> <p>Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.</p>		Partially complies	<p>In accordance with the provisions of the transitory provision of Circular 1/2020, of October 6, of the National Securities Market Commission ("Circular 1/2020"), which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated:</p> <ul style="list-style-type: none"> <li>During the first half of 2020 the Company has fully complied with the recommendation.</li> <li>In relation to the second half of 2020, it is noted that on February 17, 2021, the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 4. In this regard, the Board of Directors has amended its previous "Policy on Communication and contacts with shareholders, institutional investors and proxy advisors" to adapt it to the recommendation and has replaced it with a new "Policy on Communication and contacts with shareholders, investors and proxy advisors, and disclosure of economic-financial, non-financial and corporate information" which is available on the corporate website (<a href="http://www.repsol.com">www.repsol.com</a>).</li> </ul>	
<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>	Complies			
<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> <ol style="list-style-type: none"> <li>Report on auditor's independence.</li> <li>Reviews of the operation of the audit committee and the nomination and remuneration committee.</li> <li>Audit committee report on related party transactions.</li> </ol>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 7</b> <p>The company should broadcast its general shareholders' meetings live on the corporate website.</p> <p>The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.</p>	Complies			
<b>Recommendation 8</b> <p>The audit committee should strive to ensure that the financial statements that the board of directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditors includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.</p>	Complies			
<b>Recommendation 9</b> <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>	Complies			
<b>Recommendation 10</b> <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>				Not applicable

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 11</b> 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.				Not applicable
<b>Recommendation 12</b> 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.  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.	Complies			
<b>Recommendation 13</b> 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.	Complies			
<b>Recommendation 14</b> The board of directors should approve a policy aimed at promoting an appropriate composition of the board that: <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 competences required by the board; and</li> <li>c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.</li> </ul> The results of the prior analysis of competences required by the board should be written up in the nomination committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.  The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 15</b> <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 practical bearing in mind the complexity of the corporate group and the ownership interests they control.</p> <p>Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.</p>	Complies			
<b>Recommendation 16</b> <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>	Complies			
<b>Recommendation 17</b> <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>	Complies			
<b>Recommendation 18</b> <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>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 19</b> <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>				Not applicable
<b>Recommendation 20</b> <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>	Complies			
<b>Recommendation 21</b> <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>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<p><b>Recommendation 22</b></p> <p>Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and 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>When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.</p>	Complies			
<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>				Not applicable
<p><b>Recommendation 24</b></p> <p>Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board.</p> <p>This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.</p>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 25</b> <p>The Nomination Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.</p> <p>The board of directors regulations should lay down the maximum number of company boards on which directors can serve.</p>	Complies			
<b>Recommendation 26</b> <p>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.</p>	Complies			
<b>Recommendation 27</b> <p>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.</p>	Complies			
<b>Recommendation 28</b> <p>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.</p>				Not applicable
<b>Recommendation 29</b> <p>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.</p>	Complies			
<b>Recommendation 30</b> <p>Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programs when circumstances so advise.</p>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 31</b> <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>	Complies			
<b>Recommendation 32</b> <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>	Complies			
<b>Recommendation 33</b> <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>	Complies			
<b>Recommendation 34</b> <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>	Complies			
<b>Recommendation 35</b> <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>	Complies			



Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 36</b> <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>	Complies			
<b>Recommendation 37</b> <p>When there is an executive committee, there should be at least two nonexecutive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.</p>	Complies			
<b>Recommendation 38</b> <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>	Complies			
<b>Recommendation 39</b> <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, both financial and non-financial.</p>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 40</b> 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.	Complies			
<b>Recommendation 41</b> The head of the unit handling the internal audit function should present an annual work programme to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 42</b> The audit committee should have the following functions over and above those legally assigned:				
1. With respect to internal control and reporting systems:				
a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.				
b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.				
c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.				
d) In general, ensure that the internal control policies and systems established are applied effectively in practice.				
2. With regard to the external auditor:				
a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.				
b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.				
c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.				
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.				
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.				
		Partially complies	In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated: <ul style="list-style-type: none"> <li>During the first half of 2020 the Company has fully complied with the recommendation.</li> <li>In relation to the second half of 2020, it is noted that on February 17, 2021 the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 42. In this regard, the Board of Directors has amended, following a favorable report from the Audit and Control Committee, Article 34 of its Regulations in order to adapt them to the recommendation. The complete text of the Regulations of the Board of Directors is available on the corporate website (<a href="http://www.repsol.com">www.repsol.com</a>).</li> </ul>	

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 43</b> 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.	Complies			
<b>Recommendation 44</b> 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.	Complies			
<b>Recommendation 45</b> Risk control and management policy should identify or establish at least: <ul style="list-style-type: none"> <li>a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.</li> <li>b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate.</li> <li>c) The level of risk that the company considers acceptable.</li> <li>d) The measures in place to mitigate the impact of identified risk events should they occur.</li> <li>e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.</li> </ul>		Partially complies	<p>In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated:</p> <ul style="list-style-type: none"> <li>• During the first half of 2020 the Company has fully complied with the recommendation.</li> <li>• In relation to the second half of 2020, it is noted that the Company has adopted the corresponding resolutions to adapt its internal regulations and policies to the new wording of recommendation 45, on February 17, 2021. In this regard, the Board of Directors has modified, following a favorable report from the Audit and Control Committee, the "Risk Management Policy" in order to adapt it to the recommendation, which is available on the corporate website (<a href="http://www.repsol.com">www.repsol.com</a>).</li> </ul>	
<b>Recommendation 46</b> 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: <ul style="list-style-type: none"> <li>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.</li> <li>b) Participate actively in the preparation of risk strategies and in key decisions about their management.</li> <li>c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy defined by the board of directors.</li> </ul>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 47</b> 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.	Complies			
<b>Recommendation 48</b> Large cap companies should operate separately constituted appointment and remuneration committees.	Complies			
<b>Recommendation 49</b> The Nomination Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.  When there are vacancies on the board, any director may approach the Nomination Committee to propose candidates that they might consider suitable.	Complies			
<b>Recommendation 50</b> The remuneration committee should operate independently and have the following functions in addition to those assigned by law: <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>	Complies			
<b>Recommendation 51</b> The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior managers.	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 52</b> <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>	Complies			
<b>Recommendation 53</b> <p>The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.</p>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 54</b> <p>The minimum functions referred to in the previous recommendation are as follows:</p> <ul style="list-style-type: none"> <li>a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.</li> <li>b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.</li> <li>c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, 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) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.</li> <li>e) Monitor and evaluate the company's interaction with its stakeholder groups.</li> </ul>	Complies			
<b>Recommendation 55</b> <p>Environmental and social sustainability policies should identify and include at least:</p> <ul style="list-style-type: none"> <li>a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.</li> <li>b) The methods or systems for monitoring compliance with policies, associated risks and their management.</li> <li>c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.</li> <li>d) Channels for stakeholder communication, participation and dialogue.</li> <li>e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.</li> </ul>	Complies			
<b>Recommendation 56</b> <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>	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 57</b> <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>	Complies			
<b>Recommendation 58</b> <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> <ul style="list-style-type: none"> <li>a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.</li> <li>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.</li> <li>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.</li> </ul>	Complies			
<b>Recommendation 59</b> <p>The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.</p> <p>Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.</p>	Complies			



Recommendation	Complies	Partially complies	Explanation	Not applicable
<b>Recommendation 60</b> Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.				Not applicable
<b>Recommendation 61</b> 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.	Complies			
<b>Recommendation 62</b> Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.  Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.  The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the nomination and remuneration committee to address an extraordinary situation.	Complies			
<b>Recommendation 63</b> 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.	Complies			

Recommendation	Complies	Partially complies	Explanation	Not applicable
<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> <p>For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.</p>		Partially complies	<p>In accordance with the provisions of the transitory provision of Circular 1/2020, which establishes the rules for the purpose of the duty to comply or explain in the annual corporate governance report for the year 2020, the following is indicated:</p> <ul style="list-style-type: none"> <li>During the first half of 2020 the Company has fully complied with the recommendation.</li> <li>In relation to the second half of 2020, it should be noted that since 2014, termination indemnities for executive directors are limited to two annual payments of their fixed and annual variable remuneration, including the remuneration of the post-contractual non-competition agreement for one year.</li> </ul> <p>Notwithstanding the foregoing, with the new wording of recommendation 64, other amounts whose accrual or payment obligation arises as a consequence or on the occasion of the termination of the contractual relationship linking the director with the company should also be computed within the limit of two annual payments, even though such amounts are not compensatory in nature. In this regard, the Company is analyzing the possible measures to be adopted with respect to the settlement of such amounts in order to adapt to the new wording of the recommendation.</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, 2020



*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, 2020. 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, 2020, in all material respects, an effective Internal Control over Financial Reporting for the period ended at December 31, 2020, 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 2013" report.

In addition, the attached description of the ICFR Report as at December 31, 2020 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, CNMV Circular No. 2/2018 dated June 12, 2018, and CNMV Circular No. 1/2020 dated October 6, 2020, 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.

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2021-02-18 00:05:

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Public key:  
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Iñaki Goiriena Basualdu

February 18, 2021