

2023

Ordinary General Shareholders' Meeting

Repsol, S.A.

Remuneration Policy of the Directors of Repsol, S.A.

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



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REPSOL

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REMUNERATION POLICY FOR THE DIRECTORS OF REPSOL, S.A.

In accordance with the provisions of article 529 *novodecies* of the Spanish Companies Act, it is the responsibility of the General Shareholders' Meeting to approve the remuneration policy for directors, at least every three years, as a separate item on the agenda.

The Board of Directors of Repsol, S.A. ("**Repsol**" or the "**Company**"), based on a proposal of the Compensation Committee, has agreed in its meeting of March 29, 2023, to propose to the General Shareholders' Meeting the remuneration policy for the Directors of Repsol contained in this document, for its implementation in 2023, 2024, 2025 and 2026 (hereinafter, the "**Remuneration Policy**").

In accordance with Article 529 *novodecies* of the Spanish Companies Act, this proposed Remuneration Policy is accompanied by a reasoned legal report from the Compensation Committee. This report will be available to the shareholders on the company's website from the calling of the General Meeting.

It is hereby placed on record that, if it is approved, this Remuneration Policy will replace, as of the date of its approval by the General Shareholder Meeting, the 2021-2023 remuneration policy for the Company's Directors, which was approved by the Repsol General Shareholders Meeting on 26 March 2021 under item eighteenth of the agenda.

1. NEW DEVELOPMENTS IN THE REMUNERATION POLICY

The proposed Remuneration Policy to be submitted for approval by the Board of Directors, and subsequently by the Ordinary General Shareholders' Meeting, follows the lines established in the current Directors' remuneration policy, approved by the General Shareholders' Meeting in 2021, introducing some new features.

These amendments respond to the Company's desire to remain aligned with best corporate governance and market practices, with the recommendations established in the CNMV's Good Governance Code for Listed Companies and with the interests of its shareholders. The main changes included are as follows:

- At the proposal of the Chairman of the Board of Directors, a 50% reduction of his fixed remuneration.
- Additional information on the operation of the long-term variable compensation programs with partial allocation of shares, through performance shares, as part of the grant.
- Inclusion, in the Share Purchase Plans by the Beneficiaries of the Long-Term Incentive Programs, of a new additional performance target for those beneficiaries who are Executive Directors or who have the consideration of Senior Management for the delivery, by the Company, of the additional share for every three shares initially acquired by the beneficiaries.

2. PHILOSOPHY OF THE REMUNERATION POLICY: PRINCIPLES AND CRITERIA

The overall principle defining Repsol's Remuneration Policy is the search for the mutual generation of value for the Group and for the Directors and the alignment of their long-term interests with those of the shareholders, ensuring total transparency.

2.1. Concerning the Executive Directors

The remuneration of Executive Directors for the performance of their executive functions follows the principles outlined below:

- Ensure that the remuneration, in terms of its structure and overall amount, complies with best practices and is competitive with that paid by other peer companies in order to attract, retain and motivate the best professionals.
- Establish a remuneration based on objective criteria related to the individual performance of the Executive Directors and the achievement of the business objectives of the Company and the Group.
- Maintain an annual variable component linked to the achievement of specific and quantifiable targets, aligned with the company's interests, with control and measurement systems that determine the payment of the variable remuneration based on individual performance assessments and the personal contribution to the achievement of the established goals.
- Incorporate multiannual variable remuneration systems that promote the achievement of medium/long term targets and the retention of key people, fostering the sustainability and profitability of the Company in the long-term.
- Maintain an appropriate balance between the different remuneration items in line with best corporate governance practices. For these purposes, the Company takes into account, among others, the information and feedback received from shareholders, institutional investors and proxy advisors throughout the consultation and engagement processes carried out by Repsol.
- Ensure the alignment of interests with those of the shareholders, encouraging the holding of shares.
- Ensure sustained alignment between the remuneration policy for the Executive Directors and that for the Senior Management.

2.2. Regarding Directors in their capacity as such

The remuneration of Directors in their capacity as such –that is, for their deliberation and collegiate decision duties– is based on the following principles:

- The remuneration should be sufficient and appropriate given the dedication, qualifications and responsibilities of the Directors, but without compromising their independent judgement.

- The remuneration should be in line with market practice. To ensure this, the Company takes into account the remuneration of Directors in other listed business groups similar to Repsol in terms of size, complexity of business and operations and geographic distribution of assets.

2.3. Periodic review of the Remuneration Policy

The Directors' Remuneration Policy is reviewed periodically by the Compensation Committee and by the Board in order to keep it in line with the best corporate governance practices and market trends as well as the feedback provided by shareholders and proxy advisory firms during our year-round engagement process, as well as the remuneration analyses carried out by independent consultants who are experts in the field, such as WTW (Willis Towers Watson). The Remuneration Policy is submitted to the General Shareholders Meeting for approval whenever it is necessary or when it is deemed convenient that it be amended and in any case, at least every three years, as provided for under the Spanish Companies Act.

2.4. Risk mitigation in the Remuneration Policy

The measures to ensure that the Directors' Remuneration Policy complies with the Company's long-term results are the following:

- The total compensation of the Executive Directors for the performance of their executive duties consists of different remuneration elements comprising, mainly, a fixed remuneration and a short and long term variable remuneration, bound to the the financial and non-financial objectives established in the Company's Strategic Plan, with a balanced and efficient relationship between the fixed and variable components. The variable items have enough flexibility for their modulation so that it may be completely eliminated in a given year, if the objectives to which they are linked are not achieved. In this sense, the remuneration scheme reflects the Company's philosophy of having competitive remuneration that promotes the achievement of group objectives while at the same time preventing excessive risk-taking.
- Long-term variable remuneration plans are set within a multi-year framework (4 years) ensuring that the evaluation process is based on long-term performance. This also ensures that the underlying business cycle of the Company and the achievement and consolidation of its strategic objectives are taken into account. The Company has also established an additional period of a further three years, starting when the Executive Directors receive the Company's shares delivered under the Long-Term Incentive plans, during which they may not transfer these shares or directly or indirectly hedge them.
- The Company has implemented certain share-based remuneration plans in order to increase the alignment of the interests of its beneficiaries with those of the rest of the shareholders.
- Repsol has a policy for the permanent holding of shares, according to which the Executive Directors shall retain, while they remain in their position, the ownership of the shares they hold in their portfolio, as well as those other shares that, if applicable, were granted to them within the framework of the long-term variable remuneration programs, until they reach, at least, an amount equivalent to twice their fixed remuneration.
- The Compensation Committee has the power to propose the cancellation of the payment of short and long-term variable remuneration, as well as to claim the reimbursement (clawback) of the components of the Chief Executive Officer's variable remuneration when its payment does not comply with the established performance conditions, or when it has been paid on the basis of data whose inaccuracy is subsequently proven.

- The Compensation Committee is responsible for the review and analysis of the Directors' Compensation Policy and the remuneration policy for Senior Executives and its implementation, to the extent that the professional activities of these categories of personnel may have a material impact on the Company's risk profile. In addition, the Compensation Committee is responsible for proposing to the Board of Directors the objectives and metrics of the variable remuneration, in the short and long term, of the Executive Directors and also evaluates their degree of compliance, proposing to the Board of Directors the approval of the level of incentive to be paid. The information on the level of compliance with the metrics is taken, for the most part, from the Consolidated Financial Statements and the Integrated Management Report, which are reviewed by the Statutory Auditor.

3. REMUNERATION SYSTEM APPLICABLE TO EXECUTIVE DIRECTORS

The Compensation Committee follows the principles outlined above when determining the remuneration package of the Executive Directors for the performance of executive duties, whose elements are listed below.

3.1. Fixed Remuneration

The fixed remuneration of the Executive Directors for the performance of their leadership positions and roles mainly reflects their level of responsibility in the organisation, the positions they hold and their professional expertise, ensuring that it is competitive with the remuneration offered by peer companies, in order to attract and retain the best professionals.

On this basis, each year the Compensation Committee, formed exclusively by External Directors, most of whom are Independent Directors, proposes the amount of the fixed remuneration for the Executive Directors for the performance of their executive duties, for approval by the Board of Directors within the framework of the Remuneration Policy in force from time to time.

To determine the remuneration and potential updates, the Compensation Committee, in addition to the criteria described, will take into account, among others, factors such as the characteristics of each position and workload, the market analyses carried out or the average increases in remuneration for the Company's employees. All this in order to establish appropriate compensation for the duties performed, ensuring its competitiveness with respect to the reference market.

Therefore, the CEO will have the right to perceive an annual fixed remuneration of 1,200 thousand euros. This amount will remain fixed while the Board of Directors does not agree to update them in accordance with the criteria described. Thus, the fixed remuneration of the CEO has remained unchanged since his appointment in 2014.

Notwithstanding the above, in certain situations, the Compensation Committee, taking into consideration circumstances that, according to its opinion, justify salary increases for certain Executive Directors (for example, a change of responsibility, development in the position and / or special needs for retention and motivation), may propose to the Board of Directors the modification of the annual fixed remuneration of the Executive Directors. In the event that the Board of Directors, further to the proposal of the Compensation Committee, agrees to modify the fixed annual remuneration of the Executive Directors, the underlying reasons justifying such will be included in the corresponding annual report on the remuneration of the Directors. In any case, any increases that may be agreed according to the above

parameters for each of the Executive Directors during the whole term of the Remuneration Policy, may not exceed, in total, 10 % of their current fixed remuneration.

3.2. Variable Remuneration

3.2.1. Annual Variable Remuneration

The annual variable remuneration seeks to encourage the achievement of predetermined, specific and quantifiable strategic objectives related to the management of the Executive Directors, assessing their individual contribution to the achievement of these targets.

The Board of Directors, with the proposal of the Compensation Committee is responsible for determining the targets at the start of each financial year and for assessing compliance with these once it has ended. In this role it has support from the internal areas of the company, which provide it with information on the various categories of targets and the results obtained.

In order to establish the appropriate metrics weighting and to determinate the levels of achievement of each objective, the Compensation Committee takes into account historical performance, projections and forecasts for the Company's results. The annual variable remuneration of the CEO is linked to the achievement of quantitative business targets including operational and financial targets for the Company, value creation objectives and sustainability goals. As applicable, the Compensation Committee may also propose the inclusion of qualitative objectives related to the Company's strategy, which will have a maximum weight of 25%.

In this regard, each metric has an associated scale of achievement defined according to its variability and level of demand. These scales have a minimum threshold of compliance, below which no incentive entitlement is generated, and a maximum level of compliance of 110%, although the overall degree of achievement of the objectives, to be determined by the Compensation Committee, will not be greater than 100%.

In order to ensure that the annual variable remuneration retains an effective relationship with the professional performance of the Executive Directors, when determining the level of compliance with the quantitative objectives, positive or negative economic effects that arise from extraordinary events and that could distort the assessment results are eliminated. These adjustments will be set out in the Annual Report on Directors' remuneration.

At the end of the financial year, in February, and simultaneously with the elaboration of the Consolidated Financial Statements and the Integrated Management Report, the Board of Directors, at the proposal of the Compensation Committee and considering the information provided by the Finance and People and Organization areas, carries out an evaluation of the results obtained. The information on the metrics is taken, for the most part, from the aforementioned Consolidated Financial Statements and the Integrated Management Report, which are reviewed by the Statutory Auditor. Based on the level of compliance with each objective and its weighting, the Board of Directors determines a weighted average level of compliance.

The conditions of the annual variable remuneration system that apply to the Executive Directors, including its structure, maximum pay levels, targets and metrics set and the individual weight, are reviewed annually by the Compensation Committee to ensure that they are sufficiently demanding given the strategic priorities of Repsol, both long and short term, its needs and the position of the business.

The amount of the annual variable remuneration is defined as a target percentage of the fixed remuneration. For the CEO this may vary between 0%, if overall compliance above a minimum threshold

is not reached and 100% of the fixed remuneration (maximum limit for payment of variable remuneration) in the event that the overall level of compliance with the targets is 100% or higher. Notwithstanding that, the Board of Directors retains the ability to adjust, to a maximum of 20% upwards or downwards, the final quantitative results for the annual variable remuneration, depending on the quality of results, individual performance and other issues that require qualitative measurement. In case the Board of Directors, based on a proposal of the Compensation Committee, agrees to adjust –upwards or downwards– the annual variable remuneration of the CEO, the Company will provide detailed information of the rationale that justifies the qualitative adjustment.

The annual variable remuneration may be paid in cash, in shares or in a combination of these instruments and there are no extraordinary payments.

3.2.2. Long-term Variable Remuneration

Repsol has traditionally implemented long-term variable remuneration plans in the Company with the aims of promoting the mutual creation of value for the Group, its shareholders and its employees, as well as strengthening the commitment of its beneficiaries and reward the creation of sustainable value for the shareholders in the long-term.

The Company has currently implemented several long-term incentive plans (LTI) for all directors, including the Executive Directors, and other professionals with high qualifications and potential. These programs are independent of each other, but their main characteristics are the same:

- In all cases they are structured in overlapping plans with a duration of at least four years and are linked to the fulfillment of a series of objectives and commitments formulated in the Group's Strategic Plan in force at any given time.
- Their objectives are directly aligned with maximizing the value of the Company in a sustained manner, the performance of Repsol's businesses and sustainability.
- They are linked to the permanence of their beneficiaries until the end of the measurement period, except in certain special cases that would give rise to their early liquidation.

In the LTI, each metric has associated a scale of achievement defined in function of its variability and its level of demand. These scales have a minimal compliance threshold, below which they do not generate a right to an incentive, and a maximum level, set at 100%.

The Board of Director, based on a proposal of the Compensation Committee, determines each year the weighting of these objectives and the associated target levels in response to Repsol's strategy, needs and business situation.

The target amount of the long-term variable remuneration of the Executive Directors is defined as a target percentage of the fixed remuneration at the time of granting the incentive. In the case of the CEO, the maximum target amount of the long-term incentive is 120% of his fixed remuneration. Notwithstanding this, if an overall compliance above a minimum threshold is not reached the final amount to be settled may be 0%.

The Board of Directors retains also the ability to adjust, to a maximum of 20% upwards or downwards, the final quantitative results for the long-term variable remuneration of the CEO, depending on the quality of results, individual performance and other issues that require qualitative measurement. In case the Board of Directors, based on a proposal of the Compensation Committee, agrees to adjust –upwards or downwards– the long-term variable remuneration of the CEO, the Company will provide detailed information of the rationale that justifies the qualitative adjustment.

Once the measurement period has ended, in February and simultaneously with the preparation of the Consolidated Financial Statements and the Integrated Management Report, the Board of Directors, at the proposal of the Compensation Committee, evaluates the level of compliance achieved in each of the objectives, and of the plan as a whole. The information on the metrics is provided by the Finance and People and Organization areas, extracted as necessary from the aforementioned Consolidated Financial Statements and the Integrated Management Report, which are reviewed by the Statutory Auditor. The Internal Audit area also verifies the information on the level of compliance with the established metrics. The beneficiary's personal performance is also considered to determine the corresponding incentive amounts based on the established achievement scales.

In 2020, the Company has implemented a new Long-Term Incentive Program whose main difference with respect to previous programs is that it is implemented through the granting of the right to receive a certain number of shares of Repsol, S.A. (performance shares), which are a mere expectation of rights, without granting political or economic rights inherent to such shares, as well as a cash amount. In the case of the Chief Executive Officer, the proportion is 50% each.

The number of performance shares initially assigned to the Chief Executive Officer is the result of dividing 50% of the maximum target amount of the long-term incentive (720 thousand euros) by the market price of the share, which is the average of the Repsol, S.A. share price in December of the previous year and January of the year in which the incentive is granted.

The Executive Directors may not convey the Company shares delivered to them nor directly or indirectly perform hedging transactions on them for three years from the delivery of the shares unless the Executive Director already has, at the time of the transfer, 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 annual fixed remuneration. The above will not apply to the shares that have needed to be disposed of, when applicable, to pay delivery costs (including tax expenses). Neither may they perform hedging actions, directly or indirectly, prior to their delivery.

The shares delivered, if any, under each long-term variable remuneration plan to the beneficiaries of the Plan, including the Executive Directors, may be counted for the purposes of the investment in shares referred to in the Share Purchase Plan by the Beneficiaries of the Long-Term Incentive Programs mentioned in section 3.2.3 below.

The Long-Term Incentive Plans (LTI), 2020-2023, 2021-2024, 2022-2025 and 2023-2026 are currently in force, in accordance with their bases, under which the maximum amount of the Chief Executive Officer's long-term variable remuneration is as follows:

- LTI 2020-2023: 61,960 shares of Repsol, S.A. and 864 thousand euros
- LTI 2021-2024: 101,749 shares of Repsol, S.A. and 864 thousand euros.
- ILP 2022 -2025: 81,708 shares of Repsol, S.A. and 864 thousand euros.
- LTI 2023-2026: 58,466 shares of Repsol, S.A. and 864 thousand euros.

In case of termination of the contractual relationship of the Executive Directors, the Long-Term Incentive Plans that were in force at that time will be settled in accordance with the conditions of their granting.

3.2.3. Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs

The Company has implemented a Share Acquisition Plan for certain groups of employees and for the Executive Directors, the purpose of which is to promote the alignment of their long-term interests with the interests of the shareholders and the company ("**Share Acquisition Plan**").

The Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs is structured through several cycles, approved by the General Shareholders Meetings held on 15 April 2011, 20 May 2016 and on 8 May 2020. This Plan allows its beneficiaries to invest a maximum amount in Repsol shares, so that if they hold the shares for a period of three years and comply with the Share Acquisition Plan's other conditions, the Company will give them one additional share for every three shares initially bought by them at the end of the specified period.

To simplify the implementation of the Share Acquisition Plan and for the sole purpose of determining its beneficiaries and the maximum amount that they may invest in it, the long-term variable remuneration programs have been taken as a reference. Consequently, only the beneficiaries of the long-term remuneration programs may be beneficiaries of this Plan and the maximum amount that they may invest in it, is the equivalent of 50% of the total gross amount of the multiannual incentive received by each beneficiary.

For those beneficiaries who are Executive Directors or who are considered to be Senior Management (understood as those executives who are part of the Executive Committee or any other equivalent body that may replace it in the future), an additional performance requirement is established for the delivery by the Company of the additional share for every three shares initially acquired by the Beneficiaries. This objective consists of reaching a level of overall achievement of the objectives established for the annual variable remuneration of the Chief Executive Officer for the financial year immediately preceding the date of the Final Share Delivery, equal to or greater than 75%, without considering in any case the power of qualitative modulation available to the Board of Directors.

At end of the 2022 financial year the Tenth (2020-2023), Eleventh (2021-2024) and Twelfth (2022-2025) Cycles of the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs were in force.

In case of termination of the contractual relationship of the Executive Directors, the Share Acquisition Plans that were in force at that time will be settled in accordance with the conditions of their granting.

3.2.4. Control of Annual and Long-Term Variable Remuneration

The Compensation Committee has the power to propose the cancellation of the payment of the variable remuneration, both short and long term, of the Executive Directors if, due to supervening circumstances, it is determined that its accrual is due to inaccurate or erroneous information or data.

Likewise, the Compensation Committee may propose to the Board of Directors that there be a claim for the reimbursement ("clawback") of the variable components of the remuneration. Both short-term and long-term, of the Executive Directors when the payment has not been adjusted to the performance conditions or when it has been awarded on the basis of data that is subsequently shown to be inaccurate. This possibility of claim does not have an established prescription date.

On the other hand, the conditions of the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs establish, in addition to the beneficiary remaining in the Repsol Group, that the accrual of the delivery of extra shares is conditional upon not having occurred, in the period prior to each allocation of shares, in the opinion of the Board of Director, based on a report by the Compensation Committee, the material restatement of the Company's financial statements if this affects the degree of

fulfillment of the objectives set for the relevant long-term variable remuneration program, except when this is due to a change to the accounting principles.

3.3. Long-Term Savings Systems

The CEO participates in the Group's Executives' Benefits Plan (the "**Benefits Plan**"), which is a defined contribution system. According to the formula envisaged in its Regulations, the annual retirement contributions are equivalent to approximately 20.5% of his annual fixed remuneration, which is contingent upon him remaining employed by the Group. The contingencies covered in the Benefits Plan are retirement, total or absolute permanent disability, severe disability and death.

The economic rights accumulated in the Benefits Plan will vest if the CEO's relationship with the Company is terminated because of the events indicated below, payment of the accumulated capital in the Benefits Plan will only occur at the time of his effective retirement or in the event of death or permanent disability prior to retirement:

- A unilateral decision by the Company, provided that it is not based on the grounds envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute (Estatuto de los Trabajadores).
- An unjustified disciplinary dismissal.
- An objective dismissal or if the relationship is terminated due to organizational, economic, productive or technical grounds, whether or not it is declared or recognized as justified or unjustified.
- A termination according to the CEO's decision for any of the reasons envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute.

In addition, the CEO is a participant in the Repsol pension plan. This is a defined-contribution employment system plan which all Repsol employees can join, through which the company makes a monthly contribution, with a maximum limit of seven thousand euros per employee per year. The economic rights of this plan are consolidated by its participants from the moment of the contribution, but they will only be able to receive the amount accumulated in the plan in the event of any of the contingencies covered by the plan: retirement, total or absolute permanent disability, severe disability and death.

The long-term savings systems do not stipulate that Executive Directors must be paid when they cease to perform their executive functions or cease to be directors of the Company. However, the amounts of the Executive Directors' long-term savings systems, which they will receive, as the case may be, when any of the contingencies covered by the system happens, are compatible with the benefits in the event of termination of the relationship envisaged in his contract and that is explained in paragraph 3.5 of this Remuneration Policy.

3.4. Other benefits

The Executive Directors are beneficiaries of certain benefits in kind, including, among others, medical insurances and life and disability insurance. Where applicable, this remuneration also includes interim income linked to this remuneration in kind. All of them aligned with the usual practice at Repsol.

Repsol's policy does not provide for the Company granting any advances, loans or guarantees to the Executive Directors

Furthermore, the Executive Directors may receive, where appropriate, an additional remuneration for sitting on the boards of directors of other Group, multi-group or associated companies.

3.5. Main conditions of the contracts of the Executive Directors

The remuneration, rights and economic compensations of the Executive Directors are determined in their respective contracts, always respecting the provisions of the Company's By-laws and in the Remuneration Policy.

The contract signed with the CEO has an indefinite term, does not require any notice period by Repsol and establishes a non-compete commitment in similar companies and activities during its term and for one year after its termination.

The contractual conditions of the Chief Executive Officer establish a termination indemnity equal to two years of his annual fixed and annual variable remuneration—including non-competition remuneration—. This amount corresponds to the limit established by the Board of Directors on February 25, 2014, at the proposal of the Compensation Committee for the termination indemnities of the new Executive Directors to be appointed thereafter. Said indemnification shall proceed in the event of termination of the contract for causes attributable to Repsol or by mutual agreement, if it is in the Company's interest. In the event of termination of the contract by unilateral decision of the Chief Executive Officer, he/she shall give three months' notice to the Company and shall receive only one year's fixed and annual variable remuneration in compensation for the non-competition agreement.

3.6. Shareholding Policy

While they remain in their positions, the Executive Directors must retain the ownership of the Company shares in their portfolio, as well as any other shares received in kind under the Long-Term Incentive Programs or linked to the Share Acquisition Plan for Beneficiaries of the Long-Term Incentive Programs until they reach, at least, an amount equivalent to twice their annual fixed remuneration.

The valuation of the portfolio shares will be based on the market value on the corresponding date at any given time.

3.7. Remuneration policy for new appointments

When determining the pay package for a new Executive Director, the Compensation Committee will consider the candidate's experience and expertise, where he came from (from inside or outside the company) and his level of pay at the time of being appointed. The remuneration components and the corresponding limits as well as the basic contractual terms described in this Remuneration Policy will apply to any new Executive Director vested with executive functions.

Exceptionally, and to facilitate the recruitment of an external candidate, the Compensation Committee may establish a special incentive that it is reasonable to offset the loss of incentives not accrued in the previous company due to the resignation and consequent acceptance of Repsol's offer. The Company will provide detailed information on the relevant annual remuneration report about the incentive that may be established by the Board of Directors, as the case may be.

With regards to the remuneration of the Director in his capacity as such, this will be integrated within the maximum distributable amount established by the general meeting and to be distributed by the Board of Directors in accordance with the provisions described below.

4. REMUNERATION SYSTEM APPLICABLE TO DIRECTORS IN THEIR CAPACITY AS SUCH

With regard to Directors in their capacity as such, the Remuneration Policy established by the Board of Directors, at the proposal of the Remuneration Committee, seeks to remunerate sufficiently and adequately for the dedication, qualification and responsibilities of the Directors, but without such remuneration being able to compromise their independence of criteria.

The Remuneration Committee is in charge of proposing to the Board of Directors the criteria it deems appropriate for the remuneration of Directors for their supervisory and collegiate decision function, with the Board of Directors being responsible for setting the exact amount to be paid and its distribution among the various directors.

4.1. Maximum remuneration threshold for the whole Board

According to the provisions of article 45 of the By-laws and in accordance with the remuneration policy in force passed by the General Shareholders Meeting on May 16, 2020, the current threshold that the Company may allocate annually to the remuneration of the members of the Board of Directors for the performance of its collegiate supervision and decision-making duties, including the remuneration of the Chairman of the Board of Directors, is 8.5 million euros that is renewed with the approval of this Policy.

The Board of Directors must establish the exact amount to be disbursed within that threshold and its distribution among the various Directors, taking into account the functions and responsibilities assigned to each of them, the positions held by each of them in the Board and its Committees and other objective circumstances that it considers relevant.

4.2. Remuneration of Directors in their capacity as such

Directors, in their capacity as such, receive a fixed remuneration for carrying out their collegiate supervision and decision-making duties. The calculation of this remuneration, except that of the Chairman, takes place through the allocation of points for belonging to the Board of Directors or to the various committees. Each point is equivalent to a pay amount, thus resulting in different sums for the Directors, based on each of their responsibilities and positions held at the Board. The Board of Directors, at the proposal of the Compensation Committee, must establish the amount of the value of the point, in line with the remuneration threshold for the whole Board, which shall be communicated in the annual report on Directors' remuneration for the financial year in question.

Nevertheless, in view of the recommendations made by the supervisory bodies, and market practices and current remuneration trends, the Board of Directors, at the proposal of the Compensation Committee, may replace this remuneration model with other, equivalent systems that are also based on fixed remuneration, in no way it is intended entailing an increase in the maximum remuneration mentioned above.

Furthermore, it should be noted that External Directors are all excluded from the employee benefit systems that are funded by the Company in the event of dismissal, death or similar and from the company's short and long-term performance-linked incentive plans, such as the multiannual cash remuneration, shares or call options on shares.

According with article 16.5 of the Regulations of the Board of Directors, once leaving the Board, Directors may not render services at a competing Company for two years unless the Board of Directors releases them from this obligation or shortens the time of the constraint. No additional compensation of any kind is expected to be paid to the Directors for this non-competition obligation.

4.3. Remuneration to Directors for their membership in the management bodies of companies in which Repsol holds an ownership interest

In addition to the remuneration contemplated in this Policy that corresponds to them in each case, the directors of Repsol may receive remuneration for their membership of the governing bodies of companies in which Repsol participates. This remuneration may be paid by the investee companies and/or by the Company when they hold the position at the proposal of Repsol.

This remuneration shall be subject, in all cases, to the legal and statutory requirements applicable to each of the companies, and their receipt by the Directors shall be duly reported in the corresponding Annual Report on Remuneration of Repsol Directors.

5. CHAIRMAN OF THE BOARD OF DIRECTORS

The remuneration of the Chairman of the Board of Directors reflects the important role and his high level of activity and involvement in the position, as well as the other criteria established in the Remuneration Policy.

The remuneration of the Chairman of the Board of Directors is formed exclusively by fixed items. The total amount of the fixed remuneration of the Chairman of the Board of Directors amounts to 1,250,000 euros annually, which may include, as the case may be, amounts for sitting on the Board of Directors and Committees of Repsol's Group, multi-group and associated companies. This remuneration, proposed by the Chairman himself, reflects a 50% reduction compared to the amount approved by the General Shareholders' Meeting in 2019.

The contractual conditions of the Chairman of the Board of Directors, applicable since May 1, 2015, include the remuneration in kind of which he is the beneficiary and which include, among other items, medical insurance, the cost of the residence that the Company makes available to him as a home and for the institutional representation of the Company, the corresponding interim income derived from such items and the economic compensation for the applicable personal taxation derived from such remuneration in kind (withholdings), in accordance with Repsol's usual practice in this regard. They also provide for a post-contractual non-competition commitment of one year, although he will no longer receive any economic compensation for termination of his contract.

6. DIRECTORS LIABILITY POLICY

In accordance with the provisions of article 45 of the By-laws, the Company has subscribed a Directors and Officers liability policy covering third-party claims for damages and/or potential losses caused by the Directors' acts or omissions in their position as members of the Board of Directors. The policy collectively covers Directors, officers and other employees of the Group who exercise management-

related functions, and that also covers the different companies of the Group under certain circumstances and conditions.

In 2022, the total amount of premiums for this collective liability insurance policy amounted to 4.4 million euros. This amount corresponds to all the insured and therefore does not refer exclusively to the members of the Board of Directors of Repsol.

7. VALIDITY PERIOD OF THE POLICY

Pursuant to the provisions of article 529 novodecies of the Spanish Companies Act, the Company will implement this Directors' Remuneration Policy during 2023, 2024, 2025 and 2026.

Any amendment or replacement of the Remuneration Policy will require the prior approval of the General Shareholders Meeting in accordance with prevailing legislation.

In any event, this Remuneration Policy will be without prejudice to any payments that may have to be made to the Executive Directors during this period pertaining to deferred amounts of variable remuneration from previous years, which will be subject to the conditions that were established for such remunerations.

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