

# **REGULATIONS OF THE BOARD OF DIRECTORS OF REPSOL, S.A.**

(TRANSLATION OF THE ORIGINAL IN SPANISH.  
IN CASE OF ANY DISCREPANCY, THE SPANISH VERSION PREVAILS)

**Approved by the Board of Directors of Repsol, S.A.  
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## **CHAPTER ONE**

### **General Provisions**

#### **Article 1. Purpose and scope of the Regulations**

1. The purpose of these Regulations is to regulate the Board of Directors of Repsol, S.A., establishing the principles of its organization and operation, the rules governing its legal and statutory activity and its system of supervision and control. The Board of Directors shall take such measures as may be necessary to guarantee conveyance of that set forth in these Regulations to shareholders and investors.
2. The members of the Board of Directors and, insofar as they may be applicable, the Senior Management of the Company shall be familiar with the provisions of these Regulations and comply and ensure compliance with the contents hereof. For the purposes of these Regulations, the Senior Management of the Company shall be the members of the Executive Corporate Committee or equivalent body.

#### **Article 2. Interpretation and amendment**

1. These Regulations supplement the provisions applicable to the Board of Directors in current commercial law and the Company's Bylaws.

The Board of Directors shall resolve any queries arising in connection with the application of these Regulations according to the general criteria for interpretation of legal provisions and the spirit and purpose of the Bylaws. If a query arises with regard to the composition, functions or powers of any of the Committees of the Board, the Committee in question shall first be requested to issue a report on the matter.

2. The Board is authorized to amend the contents of these Regulations, adapting them to the interests of the Company from time to time.

The Chairman of the Board of Directors or four or more Directors may propose such amendments to the Board whenever they consider this to be convenient or necessary in view of prevailing circumstances, in which case they shall accompany a report establishing the causes and scope of the proposed amendment.

When the proposed amendment affects the composition, duties or powers of any of the Committees of the Board, a prior report shall be requested of the Committee in question.

3. Amendments to these Regulations shall enter into force as from the date of the approval thereof, unless the Board decides otherwise in the corresponding resolution.



## CHAPTER TWO

### Composition, Powers and Operation of the Board of Directors

#### SECTION 1

##### Composition of the Board of Directors

#### Article 3. Quantitative and qualitative composition of the Board of Directors

1. Within the maximum and minimum limits set forth in Article 31 of the current Bylaws and without prejudice to the shareholders' right, pursuant to Article 519 of the Companies Act (Ley de Sociedades de Capital, LSC), to propose, the Board of Directors shall indicate to the General Shareholders' Meeting the number of Directors it considers convenient from time to time, according to the interests of the Company, and which it considers necessary to guarantee adequate representativeness and an effective and participative functioning. The General Shareholders' Meeting shall be responsible for determining the number of Directors.
2. Both in the proposal submitted to the General Shareholders' Meeting and in the resolutions adopted by the Board in cases of cooptation in order to fill vacancies, the Board shall endeavor to maintain a composition in which: (i) Proprietary and Independent External Directors represent a clear majority over Executive Directors and the number of the latter is commensurate with the complex structure of the corporate group; (ii) the number of Independent External Directors represents at least one-third of the total number of Directors; and (iii) that policies to promote professional, knowledge-based, experience-based, international, and gender diversity are applied.
3. *Executive Directors* shall be those who perform executive or management duties in the Company or Group, whether by virtue of being delegated the powers or other position or contractual authority. In any case, Executive Directors are those who have been bound by senior management or service contracts to provide full-time executive services.

For the purposes of these Regulations, when a Director performs management duties within the Company or the group and likewise meets the conditions to be a Proprietary External Director, he/she shall be considered an Executive Director.

4. *Proprietary External Directors* shall be External or Non-Executive Directors holding a shareholding interest equal to or greater than that considered in law as relevant, or those nominated by virtue of their status as shareholders, even though their interest in the Company does not reach that amount. Any Directors representing such shareholders shall also be considered Proprietary External Directors.
5. *Independent External Directors* shall be Directors who do not fit into the previous two categories, appointed on the strength of their recognized personal and professional standing and their experience and expertise in the corresponding duties, having no connection with the management or major shareholders of the Company and who are not in any of the situations described in Article 13.2 hereof.



6. When social interests so recommend, the Board of Directors may also appoint by cooptation or submit to the General Shareholders' Meeting a proposal for the appointment or ratification of other External Directors who cannot be considered as Proprietary or Independent.
7. The Board of Directors shall explain the nature of each Director at the General Shareholders' Meeting that is to make or ratify the appointment. That nature shall also be reviewed each year, after verification by the Nomination Committee, in the Annual Corporate Governance Report.

## **SECTION 2**

### **Powers of the Board of Directors**

#### **Article 4. Duties and powers of the Board of Directors**

1. The Board of Directors shall do whatsoever may be necessary to pursue the objects stated in the Bylaws. In particular, it shall define the strategic guidelines, the economic objectives of the Company and, upon recommendation by the Senior Management, resolve to take such measures as may be required to achieve them; guarantee the future viability and competitiveness of the Company and the existence of adequate management and leadership, all business activity being expressly subject to control by the Board; approve the codes of ethics and conduct of the Company; and develop the powers contemplated in Article 5 hereof.

2. The Board of Directors shall perform its duties with unity of purpose and independent judgment, treating all shareholders equally and guided by the interests of the Company, deeming this to be maximizing the economic value of the Company on a sustained basis.

The Board of Directors shall ensure that the Company complies with all applicable laws and regulations in its relations with stakeholders; fulfills its obligations and contracts in good faith; respects the customs and good practice of the sectors and territories in which it operates; and observes any additional principles of social responsibility that it may have accepted voluntarily.

The Board shall be answerable to the General Shareholders' Meeting for the fulfillment of these obligations.

The delegation of powers in favor of one or several members of the Board of Directors shall not release the Board from the organic competence recognized in the Companies Act and in the Bylaws.

3. The Board of Directors shall approve the Company's strategy and the organization needed to put it into practice, and oversee and ensure that management meets the targets set and respects the Company's objects and social interest; approve acquisitions and disposals of assets belonging to the Company or its subsidiaries which are, for whatsoever reason, and



notwithstanding the intervention of the General Shareholders' Meeting when applicable under law, considered especially important; establish its own organization and operation and those of the Senior Management and, in particular, amend these Regulations; exercise any powers that the General Shareholders' Meeting has granted to the Board of Directors which the Board may delegate solely if expressly so indicated in the resolution adopted by the General Shareholders' Meeting and any other powers granted to it in these Regulations.

4. The Board of Directors also exercises the Company's organic representation on the terms established in law and the Bylaws. Should the Board delegate or assign this power of representation to one or several Directors, the latter shall notify the Board of any actions they take in exercise of that power over and beyond ordinary administration.

#### **Article 5. Powers reserved to the Board of Directors**

Without prejudice to the powers of representation and execution granted in the Bylaws to the Chairman and Vice-Chairmen and any powers of attorney or delegations granted directly by the Company, the following powers shall be within the exclusive authority of the Board of Directors:

1. Call the General Shareholders' Meeting, prepare the agenda, and approve any proposals that managers submit for said body's consideration.
2. Prepare the Annual Account and Management Report of Repsol, S.A. and consolidated companies and submit them to the General Shareholders' Meeting.
3. Approve the policies and general strategies of the Company, such as:
  - a) The strategic plan, management objectives and annual budgets of the Group;
  - b) The investment and financing policy;
  - c) The corporate governance policy of the Company and the Group under its control;
  - d) The corporate social responsibility policy;
  - e) The Senior Management remuneration policy;
  - f) The risk management and control policy, including taxation, and supervision of the internal information and control systems;
  - g) The dividend policy, treasury stock policy and, especially, the limits thereon;
  - h) The definition of the corporate Group's structure, of which the Company is the parent; and
  - i) The tax planning strategy of the Company.
4. Take the following decisions in the area of nomination and remuneration:





- a) Appointment of Directors in the event of vacancies, up to the next succeeding General Shareholders' Meeting, and acceptance of resignations tendered by Directors;
  - b) Appointment and removal of the Chairman, Vice-Chairmen, Secretary and Vice-Secretary of the Board of Directors and the Directors who are to sit on the different Committees contemplated in these Regulations;
  - c) Appointment and removal of the Chief Executive Officers, and attribution and revocation of any other executive duty in respect of a board member;
  - d) Determination of the remuneration of Directors for performance of their duties, including those within the statutory framework and the ceiling set by the General Shareholders' Meeting;
  - e) Definition of the remuneration package of Executive Directors, for performance of their executive duties, in accordance with that set forth in the Bylaws and the Directors' remuneration policy, as well the approval of the remaining terms and conditions of their contracts;
  - f) Appointment and dismissal of senior managers who directly report to the Board or its members, as well as establishing the basic conditions of their contracts, including their remuneration.
5. Oversee the effective operation of the committees and the actions of the delegated bodies and the designated executives.
6. Approve the financial reports, which the Company, being a listed Company, must periodically disclose to the public.
7. Approve following investments and transactions, save when approval corresponds to the General Shareholders' Meeting :
- a) Incorporation of companies and entities or initial acquisition of stakes in existing companies or entities of more than forty million euros. The Delegate Committee may approve said transactions, informing the Board thereof, in the first meeting of the latter.
  - b) Creation or acquisition of shareholdings in special purpose entities, or those registered in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the Company and its Group.
  - c) Mergers, takeovers, demergers or concentrations of strategic importance in which any relevant Company, in which any of the Repsol group's companies holds a direct stake, is interested.
  - d) Sale of shares in companies or other fixed assets with a value of over forty million euros. The Delegate Committee may approve such sales, informing the Board at its next meeting of all operations it authorized.



- e) Investment projects with a value of over forty million euros. The Delegate Committee may approve such investments, informing the Board at its next meeting of all investments it authorized.
- f) Any investments or transaction, which due to its amount or special features, is of strategic importance or poses special tax risk.
- g) Issue in series of promissory notes, debentures or similar securities by Repsol, S.A. or its majority-owned or controlled subsidiaries.
- h) Granting of bonds to secure the obligations of entities not controlled by the Group except in the following cases:
  - the guarantor, directly or by means of counter guarantees, is finally liable for the debt or obligation in a proportion not higher to the economic participation of the Group in the entity which obligations are secured; and
  - the granting of the security is part of the ordinary and usual process of tender, negotiation, management and exploitation of the Group's businesses.
- i) Assignment to third entities or persons not controlled by the Group, of rights over the trade name and trademarks, and over any other patents, technology and any form of industrial or intellectual property of economic importance belonging to Repsol, S.A. or Group companies.
- j) Creation, investment and supervision of the management of employee pension schemes and any other commitments to employees involving long-term financial responsibilities for the Company.
- k) Signing of long-term commercial, industrial or financial agreements of strategic importance for the Repsol Group.

Unless a different regime is approved when passing the correspondent resolution, an investment or a transaction shall need an additional approval if in its execution a deviation higher than 10% or forty million euros over the initial amount authorized by the Board of Directors or its Delegate Committee is produced.

As an exception to the foregoing provisions, the Chairman, if said individual is an executive, or otherwise the Chief Executive Officer, shall decide whether to approve the following operations or investment projects, upon deliberation by the Executive Corporate Committee as necessary:

- i. Those provided for in sufficient detail in the Group's Annual Budgets and/or Strategic Plan.
- ii. Those performed pursuant to legal provisions binding on the Company concerned, whether in furtherance of environmental protection, safety of installations, product specifications, or similar.



- iii. Those involving the prospecting or working of oil fields in fulfillment of commitments deriving from the corresponding contracts, concessions or licenses.

In these cases, the Chairman shall report on the approval of these operations or investments to the Board of Directors or Delegate Committee, wherever possible before commencement of the respective projects.

8. Prepare any kind of report for the governing body as may be required by law, provided the operation to which the report refers cannot be delegated.
9. Exercise the powers delegated by the General Shareholders' Meeting, unless the Board has been expressly authorized to subdelegate them.
10. In every particular and exceptional case, waive obligations arising from the duty of loyalty pursuant to that set forth in the Law and the Company's internal regulations.

In particular, approve transactions between the Company and its Directors or shareholders, whether individually or together with third parties and involving a significant interest, including shareholders represented on the Company's Board of Directors or of other Group companies or persons connected with them, except in cases specified by the Law.

11. Decide on any other item or matter exclusively reserved in these Regulations for approval by the Board of Directors.

Under duly justified circumstances of urgency, and when there is no legal impediment, a delegated body or individual may adopt a decision relating to the foregoing matters, which must be ratified at the first Board of Directors meeting held following the decision's adoption.

#### **Article 6. Position of the Board of Directors in the organization of the Company**

1. The Board of Directors shall treat all shareholders on an equal basis, create adequate mechanisms to receive shareholders' comments on the management of corporate affairs, organize meetings to inform on the progress of the Company and its group and provide such channels as may be necessary to allow a regular flow of information with Committees and groups of shareholders.
2. For institutional shareholders, the Board of Directors shall establish mechanisms to enable a regular flow of information on matters such as investment strategy, evaluation of results, composition of the Board of Directors and efficiency of management. Under no circumstances may that information create situations of privilege or give special advantages over other shareholders.
3. The Board of Directors shall take such measures as it may deem fit to ensure that the General Shareholders' Meeting exercises its duties. For this purpose it shall make available to shareholders prior to each General Shareholders' Meeting all the information required by law and any other information which, although not so required, may be of interest for shareholders and can be reasonably supplied. It shall also diligently answer any requests for



information and questions submitted by shareholders prior to or at the General Shareholders' Meeting.

4. The information supplied by the Company to its shareholders and other players on the financial markets shall be complete, correct, fair, commensurate and in useful time.

In the interests of transparent and expeditious conveyance of information, the Company shall use all procedures and commonly used technologies available to enterprises and individuals. For this purpose, the Board of Directors shall increase use of the Company's web site and decide on the contents to be supplied through that means, which shall include, among other documents, the Bylaws, regulations of the Board of Directors, quarterly and annual reports, calls to General Shareholders' Meeting, regulations of the General Shareholders' Meeting and resolutions adopted at the last General Shareholders' Meeting held, and such other information as may be considered important.

5. The Board of Directors shall maintain direct relations with the Senior Management of the Company and its auditors. This relationship shall be objective, professional and constant, respecting the utmost independence of the auditors.

#### **Article 7. Specific duties concerning the Annual Accounts and Management Report**

1. Once it has received the report issued by the Audit and Control Committee and the certificates contemplated in Article 34.4.d) of these Regulations, and after the appropriate clarifications, the Board of Directors shall draw up the Company and group annual accounts and management report, in clear, precise terms to facilitate comprehension. The Board of Directors shall ensure that they give a true and fair view of the net worth, financial position and results of the Company, as stipulated in law.
2. The Board of Directors shall endeavor to draw up the annual accounts such that they do not give rise to a qualified auditors' report. This notwithstanding, when the Board considers that its principles should be maintained, it shall publicly explain the contents and extent of the discrepancies.

#### **Article 8. Specific duties concerning the Securities Market**

The Board of Directors shall take and carry out such actions and measures as may be necessary to guarantee the transparency of the Company on the financial markets, encourage correct formation of the share prices of the Company and its subsidiaries, supervise all financial information published regularly and perform all duties required of listed companies. The Company shall draw up an Internal Code of Conduct relating to the Securities Markets, binding on Board members, Senior Management and any other employees whose work is or may be related with said market.



## SECTION 3

### Operation of the Board of Directors

#### Article 9. Notice of call and venue of Board meetings

1. The Board shall meet regularly once a month and whenever else corporate affairs may so require. The calendar of meetings shall be established by the Board prior to the beginning of each year.

At its regular meetings, the Board shall address general issues concerning the progress and development of the group, the economic results, balance sheet, reports and proposals of the Board Committees, the cash situation and comparison with the approved budgets, the business contemplated in Article 5, when necessary, and in any case the items included on the agenda drawn up in accordance with these Regulations. At the same meetings, the Board shall receive specific information on the most significant achievements and problems regarding operations and any foreseeable situations that could be vital for corporate affairs, and whatever actions the Management proposes to cope with them.

2. Board meetings shall be called by letter, telex, telegram, telex or e-mail sent to each and all of the Directors no less than 48 hours before the date of the meeting, including the agenda. The minutes of the previous meeting shall be enclosed or attached, as the case may be, regardless of whether or not they have been approved, and any information considered necessary and available. In emergencies, Board meetings may be called without notice, in which case the emergency must be appreciated unanimously by all those present or represented at the beginning of the meeting.
3. Board meetings shall normally be held at the registered office, but may also be held wherever else the Chairman may decide, as stated in the notice of call.

Board meetings may also be held at several venues simultaneously provided real-time inter-communication and interactivity and, consequently, unity of action is guaranteed through audiovisual or telephonic means. In this case, the system of connection shall be stated in the notice of call and, if appropriate, the places where the necessary technical means for attending and participating in the meeting will be made available. The resolutions shall be deemed adopted at the location of the Chairman.

The Chairman may call additional Board meetings whenever he thinks fit. The call shall be obligatory whenever it is requested by the Lead Director or by at least one-quarter of the Directors, without prejudice to the provisions of Article 18.1.e) of these Regulations. The Chairman shall draw up the agenda for meetings, although any of the Directors may, prior to call, request the inclusion of any business they consider ought to be transacted at the meeting. Such inclusion shall be required when the request has been made in advance with no less than 48 hours of the scheduled date for the holding of the meeting. This shall be without prejudice to that set forth in Article 246 of the Companies Act.



#### **Article 10. Quorum, proxies and adoption of resolutions**

1. Board meetings shall be quorate when attended, in person or by proxy, by one-half plus one of the Directors, except when held without call, in which case all Board members must attend. Board meetings may be held without prior call if all its members are present or represented and unanimously agree to hold the meeting.
2. Any Director may be represented by another, with no limit on the number of proxies that any one Director may have for attending a meeting, all of the foregoing is subject to that set forth in the Law. Proxies for absent Directors may be granted by any written means, including letter, telegram, telex, telefax or e-mail, addressed to the Chairman or Secretary of the Board.
3. Save as may be otherwise specifically established, resolutions shall be adopted with the majority vote of those Directors present or represented at the meeting.

The Chairman or acting Chairman shall have the casting vote in the event of a tie.

Written votes may be held without a Board meeting, provided none of the Directors object to this procedure and the requirements stipulated in the Spanish Commercial Registry Regulations (*Reglamento del Registro Mercantil*) are met. In this case, Directors shall send their votes and any comments they may wish to make on the minutes by e-mail.

4. The approved minutes of Board meetings shall be signed by the Secretary or Vice-Secretary of the Board or by the Secretary of the meeting, countersigned by the Chairman and issued in a special minute book. If none of these are able to sign for any reason, they shall be substituted by the persons stipulated in Law or the Bylaws.

#### **Article 11. Evaluation of the Board of Directors and its Committees**

1. At least once a year the Board of Directors shall assess its operations and the quality and efficiency of its work. It shall also evaluate annually the functioning of its Committees, on the basis of the reports they shall issue.

The Chairman will organize and coordinate this regular review of the Board with the Chairmen of the different Committees.

2. With the frequency it shall determine and at least once every three years, the Board of Directors shall be assisted in the assessment by an external consultant, whose independence will be verified in the Nomination Committee. This assessment shall include an analysis of the composition, organization and functioning of the Board as a body corporate and an evaluation of the competence and efficiency of each of its Committees and members, particularly including the Chairman.



## CHAPTER THREE

### Legal Status of Directors

#### SECTION 1

#### Appointment, Re-election, Ratification and Retirement of Directors

##### Article 12. Appointment of Directors

1. The General Shareholders' Meeting or the Board of Directors, as the case may be, shall be competent to appoint the Board of Directors members in accordance with the relevant provisions of the Companies Act and the Bylaws.

Appointments shall be made in favor of people who, apart from meeting the legal and statutory requirements corresponding to the office, have a distinguished reputation and sufficient experience and expertise to perform their duties.

2. Nomination or ratification proposals submitted to the General Shareholders' Meeting and appointments by cooptation shall be approved by the Board (i) upon proposal by the Nomination Committee, in the case of Independent External Directors, or (ii) subject to a prior report by the Nomination Committee, in the case of other Directors.

##### Article 13. Incompatibilities

1. When exercising its power of proposal to the General Shareholders' Meeting or appointment by cooptation, the Board may not nominate any candidates or appoint as Directors any persons in any of the cases of incompatibility or disqualification, by law, the Bylaws or regulations, or any companies, entities or persons with a permanent conflict of interests with the Company, including rival companies and their Directors, executives and employees and any persons related to or proposed by them.

2. Persons may not be nominated or appointed Independent External Directors if they:

- a) Have been employees or Executive Directors of group companies, until 3 or 5 years, respectively, after the end of any such relationship.
- b) Receive from the Company or its group any sum or perquisite for any reason other than Directors' remuneration, unless such sum or perquisite is insignificant for the Director.

Neither dividends nor pension supplements received by a Director by virtue of his former professional or employment relationship shall be taken into account for the purposes of this letter of this clause, provided such supplements are unconditional. Consequently, the Company paying them may not suspend, modify or revoke their accrual at its own discretion, without default of its obligations.

- c) Are, or have been in the last 3 years, partners of the external auditor or person responsible for the auditors' report for the Company of any other Company in its Group.



- d) Are Executive Directors or Senior Management of another company in which any of this Company's Executive Directors or Senior Management is an External Director.
  - e) Have, or have had within the past year, a major business relationship with the Company or any other Company in its group, acting in his own name or as significant shareholder, Director or Senior Management of a Company that has or has had such relationship.  
  
For purposes of the foregoing, business relationships are those conducted with suppliers of goods or services, including financial, advisory or consultancy services.
  - f) Are significant shareholders, Executive Directors or Senior Management of a Company that receives, or has received in the past 3 years, donations from the Company or its Group.  
  
Anyone who is merely a trustee of a foundation that receives donations shall not be considered included in this group of persons.
  - g) Are the spouse, persons having equivalent emotional ties or relatives up to the second degree of an executive Director or Senior Management of the Company.
  - h) Have not been proposed for appointment or re-election by the Nomination Committee.
  - i) Are in any of the circumstances contemplated in paragraphs a), e), f) or g) of this sub-section 2 in respect of any significant shareholder or other shareholder represented on the Board. In the case of relationships contemplated in g), the constraint shall be applicable not only in respect of the shareholder, but also its Proprietary External Directors in the Company.
  - j) Have remained in office as Director for a period of more than twelve years.
3. Any Proprietary External Directors who lose such condition when the shareholder they represent sells its shares may only be re-elected as Independent External Directors when the shareholder they represented up to that time has sold all its shares in the Company.

A Director who has a shareholding interest in the Company may be Independent External Director, provided he meets all the conditions established herein and does not hold a significant interest.

#### **Article 14. Term of office and cooptation**

Directors shall be appointed for a maximum term of four years and shall be eligible for re-election on one or several occasions for terms of an equal maximum duration. Directors appointed by cooptation shall hold office up to the date of the next General Shareholders' Meeting following their appointment, which shall be submitted for ratification. If the vacancy to be filled by cooptation should occur after the General Shareholders' Meeting is called but before its conclusion, the Board of Directors may appoint a Director until the conclusion of the subsequent General Shareholders' Meeting. The Director appointed by the Board need not be a shareholder of the Company.





#### **Article 15. Re-election of Directors**

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

The nominations submitted to the General Shareholders' Meeting shall be approved by the Board of Directors (i) upon proposal by the Nomination Committee, in the case of Independent External Directors, or (ii) subject to a prior report by the Nomination Committee, in the case of other Directors.

#### **Article 16. Retirement of Directors**

1. Directors shall retire on expiry of the term for which they were appointed and in any other cases stipulated in Law, the Bylaws and these Regulations.
2. Directors shall offer their resignation and, should the Board of Directors deem fit, step down as Directors in the following cases:
  - a) If they are or become affected by any of the cases of incompatibility or disqualification contemplated in Law, the Bylaws or Regulations.
  - b) If they are given a serious warning by the Nomination Committee or the Audit and Control Committee for defaulting their obligations as Directors.
  - c) If, in the opinion of the Board, in view of 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) If the reasons why they were appointed disappear. Directors shall find themselves in this position, in particular, in the following cases:
      - Proprietary External Directors, when the shareholder they represent or that nominated them Directors transfers its entire shareholding interest. They shall 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 External Directors.
      - Executive Directors, when they cease to hold the executive positions outside the Board to which their appointment as Director was linked.
3. The Board of Directors shall not propose the removal of any Independent External Director before the end of the statutory term for which he was appointed, unless it has justified reasons for doing so, based on a proposal previously submitted by the Nomination Committee. In particular, such a proposal shall be justified if the Director (i) has defaulted the duties corresponding to his position; (ii) is in any of the situations



described in point 2 above; or (iii) falls into any of the circumstances contemplated in Article 13.2, by virtue of which he/she may no longer be considered an Independent External Director.

The removal of Independent External Directors may also be proposed following takeover bids, mergers or other similar corporate operations causing a change in the capital structure of the Company, insofar as may be necessary to establish a reasonable balance between Proprietary External Directors and Independent External Directors, according to the ratio of capital represented by the former to the rest of the capital.

4. When a Director retires from office, by resignation or whatsoever other cause, before concluding his term of office he shall explain the reasons in a letter addressed to the remaining members of the Board of Directors.
5. Directors may not join a rival Company for two years after leaving the Board of Directors, unless the Board releases him from this obligation or shortens the time of the constraint.

## **SECTION 2**

### **Directors' Duties**

#### **Article 17. General rules**

1. Directors have a duty to promote and control management of the Company with a view to maximizing and correctly distributing its value for the benefit of its shareholders. Directors shall perform their duties with the diligence of a competent business person and the loyalty of a reliable trustee, working in good faith towards the Company's best interest. Their actions shall be guided exclusively by the interests of the Company, interpreted independently and within a reasonable time, endeavoring to best defend and protect the interests of all the shareholders, on whom their commission depends and to whom they are answerable, and to limit as far as possible the adverse effects of the Company's industrial and business activities, adequately assessing the social reality and other related interests as part of the decision-making process.

#### **Article 18. Basic obligations deriving from the duty of due diligence**

1. The duty of due diligence specifically obliges the Director to:
  - a) Constantly devote such time and efforts as may be necessary to regularly oversee the issues concerning administration of the Company.
  - b) Be informed and adequately prepare meetings of the Board and any other delegated and advisory Committees to which they belong, having the duty to request and the



right to obtain all necessary and adequate information and such collaboration or assistance as they may deem fit.

- c) Attend meetings of all Committees they are on and participate actively in the debates, such that their opinions may contribute effectively to the decision-making process. If they are justifiably unable to attend any meetings to which they have been called, they shall duly instruct another Director to represent them.
  - d) Carry out any specific task commissioned by the Board of Directors that is reasonably within his dedication commitment.
  - e) Request persons authorized to call meetings to call an extraordinary Board meeting or include such points as they may deem necessary on the agenda of the next meeting to be held.
  - f) Challenge any resolutions that go against the law, Bylaws or corporate interests.
2. The Directors' duty of due diligence shall adapt to the nature of the position and the powers entrusted thereto within the governing bodies.
  3. Directors may not hold more than four (4) other mandates in other listed companies different from Repsol, S.A. To these effects:
    - a) It will be considered as one single mandate all those mandates held in companies belonging to the same group as well as those Board memberships held as proprietary director proposed by a company of said group although the stock held in the company or the level of control may not qualify to consider said company as part of the group; and
    - b) Board memberships in holding companies or companies ancillary to the development of the professional services of the own Director, the spouse, persons having equivalent emotional ties or closest family.

Exceptionally and provided just cause, the Board may exempt the Director from this prohibition. In addition, the Director shall inform the Nomination Committee of any other professional obligations they may have and any material changes in their professional situation and any compensable activities he/she carries out irrespective of their nature, as well as any that may affect the nature or condition by virtue of which they have been appointed Director.

#### **Article 19. Basic obligations deriving from the duty of loyalty**

1. The duty of loyalty specifically obliges the Director to:
  - a) Refrain from exercising his/her powers for purposes other than those for which they have been granted.
  - b) Keep secret the deliberations of the Company's constituent bodies, as well as information, data, reports or background to which he/she has had access in the



performance of his/her duties, even upon termination thereof, except in cases permitted or required by the Law. This duty of confidentiality also extends to information related to Repsol Group subsidiaries. When the Director is a legal person, the duty of secrecy also fall upon its representative on the Board of Directors.

- c) Refrain from participating in the deliberation and voting on resolutions or decisions in which he/she or a related party has a direct or indirect conflict of interest. The preceding duty to abstain from action does not apply to any agreements or decisions relating to the directors' status per se, such as their appointment or revocation for positions on the Board of Directors or others of similar effect.
- d) Carry out their mandate in accordance with the principle of personal responsibility with freedom of judgment and independence from third party instructions and ties.
- e) Take any measures necessary to avoid situations in which their interests, whether directly or indirectly, may conflict with the corporate interest and their duties to the Company. In particular, this duty obliges directors to refrain from: (i) carrying out transactions with the Company, except as provided in Article 23 of these Regulations; (ii) using the Company name or invoking their status as Director to unduly influence their private transactions; (iii) using company assets, including confidential business information, for private purposes; (iv) taking advantage of the Company's business opportunities; (v) obtaining advantages or remuneration from third parties apart from the Company and its Group associated with the performance of their duties, except in the cases involving mere courtesy; or (vi) carrying out operations on their own behalf or on behalf of others that give rise to effective competition, whether actual or potential, with the Company or, otherwise place them in a permanent conflict with the corporate interest, all subject to the terms set forth in the law and the following articles.
- f) In accordance with applicable laws and the internal regulations of the Company, Directors shall inform the Company, of every transaction conducted relating to the securities and financial instruments issued by Repsol Group, or to derivatives or other financial instruments linked thereto (directly or through his related parties).
- g) Directors must conduct themselves with the coordination and solidarity due as a member of a collegiate body. In particular, this obligation requires Directors to:
  - (i) Abstain from acting individually among relations of the Company with third parties, unless they have been mandated by the Board of Directors to do so.
  - (ii) Respect the communication channels of the Company without interfering in its formal and informal relationships.
  - (iii) Express within the body itself, the views and criteria related to the performance of their position and abstain from making public or disclosing to third parties any potential discrepancy or critical point of view without having mentioned it previously in the Board of Directors, and respecting in any case, where appropriate, the duty of confidentiality.



2. Directors must 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 be detrimental to the standing and reputation of the Company, to enable the Board to assess the circumstances, particularly in pursuance of that set forth in Article 16.2(c) of these Regulations.
3. Directors must notify the Board of Directors, whether its Chairman or Secretary, of any direct or indirect conflict of interest, which they themselves or related parties may have with the interests of the Company.

#### **Article 20. Obligation of non-competition**

1. Directors may not engage, on their own or someone else's behalf, in activities whose exercise constitute competition with the Company unless the following requirements are met:
  - a) it is reasonably foreseeable that the competitive situation will not cause harm to the Company or that the foreseeable harm shall be compensated by the expected benefit that the Company can reasonably get for allowing this situation of competition;
  - b) that, having received advice from an independent external consultant renowned in the financial community and once the affected shareholder or Director has been heard, the Nomination Committee issues a report assessing compliance with the requirement under paragraph (a) above, and
  - c) that the General Shareholders' Meeting agrees expressly to waive the prohibition of competition by the affirmative vote of the seventy-five per cent (75%) share capital present and represented on the General Shareholders' Meeting.
2. At the time of convening the General Shareholders' Meeting called to decide on the waiver of the prohibition of competition, the Board of Directors shall make available to the shareholders the reports of the Nomination Committee and the independent external consultant referred to in paragraph 1. (b) above and, if appropriate, its own report. During the shareholders meeting, the relevant shareholder or director may present the reasons supporting the waiver request. The resolutions of the General Shareholders' Meeting pursuant to the provisions of this Article shall be submitted under a separate item on the agenda.
3. If the competition situation appears after the appointment of a Director, the concerned Director must resign immediately from office.
4. For the purposes of that set forth in this article:
  - a) it will be deemed that a person is engaged in activities on their own that constitute competition with the Company when developing these activities directly or indirectly through subsidiaries within the meaning of Article 42 of the Spanish Commercial Code (Código de Comercio).
  - b) it will be deemed that a person is engaged on another person's behalf in activities that are competitive when the former has a significant stake or holds a management



position in a competitor or another concerted Company for the development of a common policy and, in any case, when he has been appointed as Director of the Company at the request of one of those, and

- c) it will be deemed not in competition with the Company (i) companies controlled by it (in the sense of Article 42 of the Spanish Commercial Code), and (ii) companies with which Repsol, SA has established a strategic alliance, even if they have the same, similar or complementary purpose and while the alliance is in force. Proprietary External Directors appointed at the request of the Company or in consideration of participation it has in the capital of a competitor shall not be considered under the prohibition of competition, if this is the only reason.
5. Directors may not provide advice or representation services to competing companies, unless the Board of Directors, with the affirmative vote of two thirds of the Board members not affected by the conflict of interests and provided a favorable report from the Nomination Committee is obtained. The authorization of the General Shareholders' Meeting will be binding in the case of not comply with these requirements. With the same requirements the Board of Directors may also waive the conflict of interest incompatibility referred to in Article 13.1 above.
  6. The amendment of this section shall require the affirmative vote of three fourths of the members of Board of Directors.

#### **Article 21. Use of information and corporate assets**

1. The use of non-public information of the Company, for private purposes may only be authorized under the terms of Article 24, and provided this causes no detriment whatsoever to the Company and the Company does not have exclusive rights or a similar legal position over the information to be used, and in respect of information that is irrelevant for the purchase and sale of Company shares and other securities. In any case, the rules of conduct established in the security market laws and the Repsol Group Internal Conduct Regulations regarding the Securities Market shall be heeded.
2. Directors may only make use of corporate assets or take advantage of their position in the Company to obtain a financial benefit, with the authorization of the Board of Directors under the terms of Article 24 of these Regulations, provided adequate consideration has been paid. If a Director is excused from that consideration, the financial benefit so obtained shall be considered indirect remuneration and shall be subject to authorization by the Board of Directors, after considering a report by the Remuneration Committee, strictly observing the principle of equal treatment among shareholders if this benefit is received by virtue of his condition as shareholder.



## **Article 22. Business opportunities**

Directors may not take up for their own benefit or on behalf of related third parties any possibility of making an investment or commercial transaction that has arisen or been discovered in the course of their duties as Directors, using the means of information of the Company or in circumstances in which the third-party offer may reasonably be presumed made to the Company, unless the Company decides not to take up business opportunities previously offered by the Director and the latter is authorized by the Board of Directors, subject to the terms of Article 24 of these Regulations, to take advantage of such opportunity/opportunities.

## **Article 23. Related-party transactions**

1. The transactions performed by the Company, directly or indirectly, with Directors, significant shareholders represented on the Board or persons related thereto ("related-party transactions"), shall be subject to substantive and procedural requirements provided in the Bylaws and this article.
2. Related-party transactions (i) that exceed the 5 % of the Group's assets according to the latest consolidated annual accounts approved by the General Shareholders' Meeting (ii) aimed at strategic assets of the Company, (iii) that involve transfer of the Company's relevant technology, or (iv) aimed at establishing mechanisms for collaboration and strategic alliances and do not consist on simply agreements of performance or execution the alliances already established, can only be entered into if the following conditions are satisfied:
  - a) the transaction is fair and efficient from the standpoint of the Company's corporate interest;
  - b) after obtaining the relevant report of an independent external consultant renowned in the financial community on the reasonableness and arm's length terms of the related-party transaction, the Nomination Committee issues a report assessing the compliance of the requirement under paragraph (a) above, and
  - c) the General Shareholders' Meeting authorizes the related-party transaction with the favorable vote of the seventy five per cent (75%) share capital present and represented on the General Shareholders' Meeting. However, in those cases in which due to special circumstances it is not advisable to wait until the next General Shareholders Meeting, and provided the value of the transaction does not exceed 10% of the value of corporate assets, the transaction may be approved by the Board of Directors under certain conditions: (i) the report issued by the Nomination Committee referred in point (b) is favorable to the transaction, and (ii) the agreement is adopted with the affirmative vote of two thirds of the Board members not affected by the conflict of interest. In this case the Board shall report to the General Shareholders' Meeting the terms and conditions of the transaction.

At the time of convening the General Shareholders' Meeting called to decide or be informed about the approval of the related-party transaction, the Board of Directors



shall make available to the shareholders the reports of the Nomination Committee and of the independent expert under the paragraph (b) above and, if appropriate, their own report.

3. Related-party transactions other than those referred to in paragraph 2 above will require only the approval of the Board of Directors on the report of the Nomination Committee. Exceptionally, when reasons of urgency so require, the appropriate transactions may be authorized by the Delegate Committee, with subsequent ratification by the full Board.
4. This authorization shall not be necessary for related-party transactions that meet the following three conditions:
  - (a) they are performed under contracts with standard terms and conditions that are generally applied to a high number of customers;
  - (b) they are made at prices or rates generally established by the person acting as supplier of the good or service in question or, for transactions involving goods or services for which there are no pre-established prices or rates, on arm's length terms, similar to the market conditions applied in similar commercial relationships maintained with unrelated customers; and
  - (c) the value of the transaction does not exceed 1% of the annual revenues of the Company.
5. Related-party transactions shall be assessed from the point of view of equal treatment and market conditions and shall be described in the Annual Corporate Governance Report and the regular reporting of the Company pursuant to the terms of applicable laws and regulations.
6. The amendment of this section shall require the affirmative vote of three fourths of the members of the Board of Directors.

#### **Article 24. Waiver of Directors' Duties**

The Board of Directors, upon a report by the Remuneration Committee, may waive the prohibitions contained in Articles 21 and 22 and the other Articles that do not specifically appear regulated, in any case pursuant to that set forth in the Law, the Bylaws and these Regulations. The waiver or authorization system for cases of competition and linked transactions shall be, respectively, subject to that set forth in Articles 20 and 23, as well as that established in the Bylaws and the Law.

### **SECTION 3**

#### **Information for Directors**

#### **Article 25. Right to Counsel and Information**

1. Directors shall have access to all the services of the Company and may, with the fullest powers, obtain such information and counsel as they may need to perform their duties. The





right to information is extended to the subsidiaries, in Spain or overseas, and shall be channeled through the Chairman or Secretary of the Board of Directors , who shall meet all requests from Directors, supplying the information directly, putting the Directors in touch with the appropriate persons or taking such measures as may be necessary for the requested examination.

2. Directors shall also be entitled to propose to the Board of Directors, by majority, the engagement by the Company of such legal, accounting, technical, financial, commercial or other advisers as they may consider necessary for the interests of the Company, to assist them in the performance of their duties whenever they come up against specific, important, complex problems relating thereto.
3. The Company Chairman shall be notified of the proposal through the Secretary of the Board. The Board of Directors may withhold its approval if it considers such engagement unnecessary for the performance of the commissioned duties, either in view of its cost (disproportionate to the importance of the problem and the assets and revenues of the Company) or if it considers that the technical assistance requested could be adequately given by experts and officers within the Company.
4. The Company shall provide such support as may be necessary to enable new Directors to acquire rapidly a sufficient knowledge of the Company and its rules of corporate governance, organizing guidance for this purpose if necessary. The Company shall also offer training programs and continuous refresher programs for Directors whenever circumstances so require.

## **SECTION 4**

### **Directors' Remunerations**

#### **Article 26. Director's Remunerations**

1. The Directors shall be compensated for their duties as co-deliberators and joint decision-makers, as stipulated in the Bylaws.

The Remuneration Committee shall propose such criteria to the Board of Directors as it may deem fit for the purposes of this article. Such criteria and the ultimate distribution of the total sum, within the constraints of the Bylaws, shall be subject to approval by the Board, taking into account the roles and responsibilities attributed to each director, their membership in committees within the Board of Directors, the roles held by each Director, and any other objective circumstances deemed relevant. Within each year, the Board of Directors may, as regularly as it may deem fit, resolve to make advances against the sums corresponding to each Director for his/her work during the period.

2. Members of the Board of Directors who perform executive duties will additionally be entitled to remuneration for performing such duties as provided in their approved contracts and pursuant to the Bylaws. These contracts shall specify all forms of remuneration, including,



where applicable, any remuneration for early termination of these functions and the amounts to be paid by the Company in respect of insurance premiums or contributions to savings schemes. Directors shall not receive any remuneration for performing executive functions not covered by these contracts.

3. Director remuneration policy shall adjust to the remuneration system provided for in the Bylaws and shall be subject to approval by the General Shareholders' Meeting at least every three years as a separate matter on the agenda.

Director remuneration policy shall determine the pay of Directors in their capacity as such, necessarily including the maximum annual amount to pay all members of the Board, as well as to compensate the Executive Directors for the performance of their executive duties.

The proposed remuneration policy of the Board of Directors shall be justified and accompanied by a specific report by the Remuneration Committee. Both documents shall be made available to shareholders on the Company's website s from the call of the General Shareholders' Meeting, which may also request their delivery or shipping free of charge.

4. External Directors shall be excluded from the welfare systems financed by the Company covering retirement, death or any other circumstances, and from the long-term incentive schemes, such as stock options.
5. Director remuneration shall be transparent. The itemized individual remuneration received during the year by each of the Directors for performance of their duties as such and any executive responsibilities shall be stated in the annual report.

The Board of Directors shall approve each year a Report on the Director Remuneration, on the Director remuneration policy for the current financial year. It shall also include a global overview of the implementation of the remuneration policy during the past financial year, as well as an itemized summary of individual remuneration earned by each of the Directors for the year. This report shall be subject to an advisory vote under a separate item on the agenda of the General Shareholders' Meeting.

## **CHAPTER FOUR**

### **Structure of the Board of Directors**

#### **SECTION 1**

##### **Positions on the Board of Directors**

#### **Article 27. Chairman of the Board of Directors**

1. Upon a report by the Nomination Committee, the Board of Directors shall appoint a Chairman from amongst its members.



2. Apart from the power and duties assigned to him/her by Law, the Bylaws and these Regulations, the Chairman of the Board of Directors may also be the Chief Executive of the Company. The Board of Directors shall determine whether the Chairman shall hold said position, subject to a favorable vote by two-thirds of its members.
3. The Chairman of the Board of Directors shall have the following powers in addition to those conferred upon him/her by the law:
  - a) Call and moderate Board and Delegate Committee meetings, setting the agenda for the meetings;
  - b) Ensure that the Directors receive all sufficient information to deliberate on the items in the agenda in advance of such deliberations;
  - c) Encourage the Directors to debate and participate actively at sessions, protecting the members' freedom to take positions and to express themselves;
  - d) Preside over the General Shareholders' Meeting, pursuant to Article 25 of the Bylaws;
  - e) Ensure due compliance with the resolutions adopted by bodies they chair;
  - f) Authorize and approve minutes and certifications;
  - g) Take as many measures as he/she sees fit to ensure the adequate functioning of said bodies.
4. The Chairman of the Board of Directors may delegate all or part of his powers to other members of the Board or executive officers of the companies, unless such delegation is expressly prohibited by Law.

#### **Article 28. Lead Director**

If the Chairman exercises an executive role, or, in any case, if the Board of Directors otherwise deems suitable, at the proposal of the Nomination Committee and with the abstention of the Executive Directors, an independent Director shall, under the name of Lead Director, be provided specific authority to perform the following tasks:

- (a) To request that the Chairman of the Board of Directors call this body when considered convenient.
- (b) To request the inclusion of new items in the agenda of meetings of the Board of Directors, whether called or not and under the terms of Article 9.3 of these Regulations.
- (c) To coordinate, gather, and give voice to the concerns of External Directors.
- (d) To lead the Board's period evaluation of the Chairman.
- (e) To call and chair the meetings of Independent Directors considered necessary or convenient.
- (f) Chair the Board of Directors in the absence of the Chairman and Vice-Chairman.



- g) Liaise with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly in relation to the Company's corporate governance.
- h) Coordinate the Chairman succession plan.

#### **Article 29. Vice-Chairman**

1. The Board, upon a report by the Nomination Committee, shall elect one or several of its members to the position(s) of Vice-Chairmen to stand in for the Chairman by delegation or in his absence or illness and, in general, in all cases, duties or powers deemed fit by the Board or the Chairman.
2. The Chairman shall be substituted by one of the Vice-Chairmen in the order established in the Bylaws, or otherwise according to length of time in the position, and in the event of equal times, in order of age, from older to younger.

#### **Article 30. Secretary of the Board of Directors. Duties and Appointment**

The Secretary of the Board of Directors, upon a report by the Nomination Committee, shall be appointed by the Board and need not be a Director. He shall perform the duties attributed to his position in mercantile law, the Bylaws and these Regulations. In particular, he shall:

- a) Ensure the formal and material legality of the Board's actions and that the Company's procedures and rules of governance are respected;
- b) Verify the legality of the Bylaws, and their compliance with any provisions issued by regulatory bodies and heeding of their recommendations;
- c) Ensure the observance of the Company's principles of the Company Corporate Governance and the provisions of these Regulations are observed.
- d) Retain the Board's documentation, maintain a record of the development of the sessions in the minutes books, and attest to its contents and the resolutions adopted;
- e) Assist the Chairman ensure that the Directors receive all relevant information for performing their duties sufficiently in advance and in an appropriate format.

#### **Article 31. Vice-Secretary**

The Board of Directors, upon a report by the Nomination Committee, may appoint a Vice-Secretary, who need not be a Director, to assist the Secretary of the Board of or stand in for him in the event of absence.

Save otherwise decided by the Board of Directors, the Vice-Secretary may attend Board meetings to assist the Secretary in drafting the minutes.



## SECTION 2

### Delegated and Advisory Bodies

#### Article 32. Committees of the Board of Directors

1. In the interests of greater efficiency and transparency in exercising its powers and performing its duties, the Board of Directors shall set up Committees, to which it shall assign decision-making powers for any important business requiring immediate attention, making it impractical to refer them to the full Board. It shall also set up specialist Committees, having exclusively duties of supervision, reporting, counseling and proposal, and such others as may be attributed to them, within the scope of their powers, in law, the Bylaws or these Regulations. The work of the latter Committees is designed not only to facilitate decision making on the matters they have previously studied, but also to reinforce the guarantees of objectiveness and reflection with which the Board must address certain issues.
2. Without prejudice to the statutory capacity of the Board to set up other Committees, with or without delegated powers, the following Committees shall necessarily be created: the Delegate Committee, as the delegated body of the Board; the Audit and Control Committee; the Nomination Committee; the Remuneration Committee; the Sustainability Committee, the latter without delegated powers and having the duties assigned to them in these Regulations.

#### Article 33. Delegate Committee

1. The Delegate Committee shall consist of the Chairman of the Board of Directors and a maximum of eight Directors from the three groups contemplated in Article 3 of these Regulations, in similar proportions to their relative weight on the Board of Directors. The favorable vote of at least two-thirds of Board members actually in office shall be required to appoint members of the Delegate Committee.
2. The Chairman and Secretary of the Board of Directors shall be Chairman and Secretary, respectively, of the Delegate Committee. The Vice-Secretary may assist the latter.
3. Delegate Committee meetings shall be quorate when attended, in person or by proxy, by one-half plus one of the members.
4. The members shall step down from the Delegate Committee when they retire as Directors or whenever else so resolved by the Board. The Board of Directors shall promptly fill any vacancies.
5. The permanent delegation of powers by the Board of Directors to the Delegate Committee shall embrace all the powers of the Board, save any which, by Law, the Bylaws or these Regulations, may not be delegated.
6. The Delegate Committee shall meet as and when called by the Chairman or requested by the majority of its members. The Secretary shall record in the minutes the resolutions adopted, a



copy of which shall be made available to the Board members. The Board shall be informed of all such resolutions at its next meeting.

7. Whenever considered advisable owing to the importance of the business, in the opinion of the Chairman or three members of the Delegate Committee, or whenever so required by these Regulations, the resolutions adopted by the Delegate Committee shall be submitted to the full Board for ratification. The same shall be applicable in respect of any matters referred to the Delegate Committee by the Board for study, reserving the right to make the ultimate decision. In all other cases, the resolutions adopted by the Delegate Committee shall be valid and binding, with no need for subsequent ratification by the full Board.
8. The provisions of these Regulations concerning the procedures and actions of the Board of Directors shall be applicable to the Delegate Committee insofar as they can be.

#### **Article 34. Audit and Control Committee**

1. The Audit and Control Committee shall consist exclusively of Independent External Directors, no fewer than three in number, appointed by the Board of Directors. The members of the Audit and Control Committee, and especially its Chairman, shall be appointed taking into account their expertise and experience in accounting, auditing and risk management, both financial and non-financial.

At least one of its members shall have the financial experience that may be required by the regulatory bodies of the stock markets on which the stocks or shares of the Company are listed.

2. The Committee shall appoint one of its members to be Chairman. The Secretary shall be the Secretary of the Board of Directors.
3. The Board shall appoint the members of this Committee for a term of four years. Without prejudice to one or several re-elections, they shall retire at the end of that term, when they retire from the Board, in case they cease to be considered as Independent Directors or whenever so resolved by the Board, subject to a prior report by the Nomination Committee.

The Chairman shall hold office as such for a maximum of four years, after which he shall not be eligible for re-election until one year has passed, without prejudice to his continuation or re-election as member of the Committee.

4. The essential purpose of the Audit and Control Committee is to support the Board of Directors in its duties of oversight, through regular checking of the economic and financial and non-financial reporting process, the effectiveness of the executive controls and independence of the external auditor, as well as checking compliance with all legal provisions and internal regulations applicable to the Company. The Audit and Control Committee shall be competent to submit recommendations to the Board of Directors, to be subsequently laid before the shareholders' meeting, for resolutions concerning the appointment of external auditors, extension or discontinuance of their appointment. It shall also correspond to the Committee to formulate the proposal on their terms of engagement. In particular, without



prejudice to the duties established for this Committee in the Law, the Bylaws and these Regulations, it shall:

- a) Report to the shareholders' meetingGeneral Shareholders' Meeting on any issues raised on matters within the Committee's mandate.
- b) In connection with the external auditors:

- (i) Submit to the Board proposals for the selection, appointment, re-appointment and replacement of the external auditors of the Company and its consolidated group and the terms of their engagement, encouraging the group auditors to audit the group companies.

External audit contracts shall, save as may be otherwise stipulated in the applicable laws and regulations, be made for terms of one year. Contracts may be renewed from year to year if the quality of the service is satisfactory and an agreement is reached on remuneration.

In case the external auditor resigns, examine the circumstances causing the resignation.

- (ii) Guarantee the independence of the external auditors and, for this purpose: (a) avoid any conditions on the alerts, opinions or recommendations of the auditors; (b) watch over any incompatibility between the auditing and consultancy services and any other services provided, the constraints on concentration of the auditors' business and, in general, ensure compliance of any other rules established to guarantee their independence.

For this purpose, the Committee shall establish the appropriate liaisons with external auditors to receive information on any issues that may jeopardize their independence that shall be studied by the Committee. In any case, they must receive annually from the external auditors a declaration of their independence in relation to the Company or entities related to the same directly or indirectly, as well as the information of the additional services of any type provided and corresponding fees received from these entities by said auditors or companies, or by the people or entities linked to the latter, in accordance with that established in the regulations governing the activity of auditors.

Additionally, the Committee shall issue annually, before the Auditing report, a report which expresses an opinion on the independence of the auditors. In any case, this report must contain an assessment of the services apart from compliance auditing, considered individually and collectively, and in relation to the regime of independence or the regulations applicable to audit.

- (iii) Establish the appropriate liaisons to receive regularly the information from the external auditors on the audit plan and results of their work, as well as any other questions or communications related with the auditing of the financial and non financial information, and/or any other contemplated in account auditing



legislation and technical auditing regulations, and check that the executives heed their recommendations.

For this purpose, the auditors shall make all the relevant information they may have available to the Committee, including “working material” where appropriate.

- (iv) Regularly require the auditors, at least one a year, to assess the quality of the group’s internal control procedures and discuss the significant weaknesses detected during the audit of the financial and non-financial information.
  - (v) Be informed of any situations requiring adjustments that may be detected during the work of the external audit of the financial and non-financial information, whenever they are significant, considering this to mean any situations which, per se or in combination with others, may cause a material impact or damage to the net worth, results or reputation of the group. This consideration shall be left to the discretion of the external auditors, who shall, in case of doubt, opt for notification. The Chairman of the Committee shall be notified accordingly as soon as the auditors become aware of the situation in question.
  - (vi) The provisions of the previous subparagraphs (i) to (v) shall be without prejudice to the regulatory framework governing the audit of accounts.
- c) In connection with the reporting and internal control systems:
- (i) Supervise and evaluate the process of preparing and the integrity of the mandatory financial and non-financial information on the Company and its group, ensuring compliance with all requirements, adequate definition of the consolidated group and correct application of the accounting principles.
  - (ii) Regularly check the effectiveness of the internal audit and internal control and financial and non-financial risk management systems, ensuring that the major risks are being adequately identified, handled and reported.
  - (iii) Guarantee the independence and efficiency of the internal audit department, ensuring it has adequate resources and qualifications to perform its duties within the group, in respect of both personnel and material elements, systems, procedures and manuals; and be informed of any obstacles that may have hampered the performance of its duties.
  - (iv) Be informed and issue an opinion on the appointment or substitution of the chief audit officer or equivalent. The Committee shall be informed on the department’s budget.
  - (v) Analyze and approve, if appropriate, the Annual Internal Audit Plan and any additional occasional or specific plans to be implemented for reasons of a change in legislation or organization of the group’s business.





The Committee shall monitor such plans as regularly as may be required by prevailing circumstances. It may delegate to its Chairman any preparatory tasks to facilitate the Committee's work.

In the event of any substantial deviation from deadlines for completing actions contemplated in the plans or in the scope of the audits, the Committee shall be informed on the causes and requested to approve any amendments that may be considered convenient in the internal audit plans.

The internal audit department shall submit an activity report to the Committee at the end of each year.

- (vi) Oversee the degree of fulfillment by the audited units of the corrective measures recommended by the internal audit department in previous audits. The Board shall be informed of any cases that may entail a major risk for the group.

The Committee shall be informed of any significant irregularities, anomalies or defaults detected by the internal audit department in the course of its work. These irregularities shall be considered significant if they could cause a material impact or damage to the net worth, results or reputation of the group. This shall be so considered at the discretion of the internal audit department, which shall in case of doubt, opt for notification. The Chairman of the Committee shall be notified accordingly as soon as the audit department becomes aware of the situation in question.

- (vii) Establish and oversee a mechanism that enables employees and other persons related to the company, to report, in a confidential and if possible anonymous manner, any possible irregularities of potential importance, including financial and accounting irregularities, or irregularities of any other nature, related to the company that they notice within the Company or its Group.
- (viii) Guarantee on a general basis that the policies and systems established for internal control are implemented effectively in practice.

- d) Before they are submitted to the Board, analyze the financial statements of the Company and its consolidated group included in the annual, half-year and quarterly reports and any other financial and non-financial information that the Company is obliged to publish regularly by virtue of being a listed Company, with the necessary requirements to ensure that they are correct, reliable, adequate and clear. For this purpose it shall have all the necessary information and such degree of aggregation as it may deem fit, assisted as necessary by the Senior Management of the group, particularly its financial management and the Company's auditor. It shall, in particular, see that the annual accounts that are to be submitted to the Board of Directors are certified pursuant to the internal or external regulations applicable from time to time.

The Committee may delegate its Chairman to check the financial statements on a monthly basis in order to secure greater efficiency in this duty. The Chairman, assisted by the Secretary, shall endeavor to send the members of the Committee sufficiently in



advance whatever information they may need to prepare the meetings as best as possible.

- e) Check all significant changes in the accounting principles applied and the presentation of financial statements, ensuring that adequate notification is given thereof.
- f) Ensure that the Board of Directors presents the accounts to the General Shareholders' Meeting without any limitations or qualifications in the audit report and, in exceptional cases where such do exist, the Chairman of this Committee clearly explains to the General Shareholders' Meeting the content and scope of the limitations or qualifications, providing the shareholders with a summary of this opinion at the time of publication of the notice of the meeting, together with the rest of the proposals and reports of the Board.
- g) Oversee compliance with applicable domestic or international laws and regulations in matters relating to conduct on securities markets and data protection. Requests for information or actions made by the authorities competent in these matters shall be met in due time and form.
- h) Examine the draft codes of conduct and market conduct and amendments thereto prepared by the corresponding area of the group and issue an opinion before proposals are submitted to the corporate bodies.
- i) Ensure that the codes of conduct and market conduct applicable to the group's employees comply with legal requisites and are adequate for the Company.
- j) Supervise compliance of the internal Codes of Ethics and Conduct, ensuring likewise that the corporate culture is aligned with its purpose and values and especially overseeing compliance with the laws and regulations on market conduct.
- k) Receive information and, where necessary, issue reports on disciplinary measures for the Company's Senior Management. Likewise the Committee is responsible for admonishing those Directors who have breached their obligations as such.
- l) Supervise the application of the general policy on communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information.
- m) Inform the Board in advance on all matters contemplated by the Law, the Bylaws and these Regulations, in particular those relating to the creation or acquisition of shares in special purpose vehicles or domiciled in countries or territories considered tax havens, as well as any other transactions with a similar nature that, due to their complexity, may compromise the Group's transparency.

In particular, the Committee shall see that these transactions correspond to appropriate purposes and that the Senior Management takes the necessary measures to identify and adequately handle them.



- n) Supervise the actions of the Internal Transparency Committee of the Company, ensuring that it performs its duties, and receive and consider any information received from that Committee.
  - o) 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 the sector standards and applicable laws and regulations.
5. The Audit and Control Committee shall study any other business submitted by the Board, Delegate Committee or Chairman.
  6. The Committee shall meet as often as may be necessary, in the opinion of its Chairman, to perform its duties and whenever called by the Chairman or requested by two of its members.
  7. Any member of the management or employees of the Company so requested shall be obliged to attend Committee meetings, collaborate and provide access to whatever information they may have.

The Committee may also request the assistance at its meetings of the Company's auditors.

The Committee may seek counselling by lawyers or other external professionals to ensure optimum performance of its duties, in which case the Secretary of the Board of Directors, at the request of the Committee Chairman, shall do whatsoever may be necessary to engage the services of the required lawyers and professionals, who shall report directly to the Committee.

8. The Chairman of the Committee shall regularly report to the Board of Directors on the progress of its actions. The Committee shall draw up an annual calendar for meetings and an action plan for each year, as well as an annual report on its activities, reporting thereon to the Board.

At least once a year, the Committee shall assess its procedures and the quality and efficiency of its work, reporting to the Board.

9. The Secretary shall issue minutes of the resolutions adopted at each meeting, which shall be made available to the Board members.
10. The provisions of these Regulations concerning the functioning and actions of the Board of Directors shall be applicable to the Audit and Control Committee insofar as this is possible according to its nature and duties.

### **Article 35. Nomination Committee**

1. The Nomination Committee shall consist exclusively of external or non-Executive Directors, with no fewer than three in number, and appointed by the Board of Directors, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Most of its members shall be Independent External Directors.



2. The Committee shall appoint one of its members to be Chairman, who shall necessarily be an Independent External Director. The Secretary of the Board of Directors shall be Secretary of the Committee.
3. The Board shall appoint the members of this Committee for a term of four years. Without prejudice to one or several re-elections, they shall retire at the end of that term, when they retire from the Board or whenever so resolved by the Board of Directors, following a report by the Audit and Control Committee.
4. Notwithstanding any other duties contemplated in the Bylaws and these Regulations, this Committee shall have the following duties:
  - a) Duties concerning the selection, appointment, re-election, and retirement of Directors:
    - (i) Evaluate the balance of skills, expertise and experience in the Board; define, consequently, the duties and aptitudes required of candidates for filling any vacancy and assess the time and dedication required to perform their duties adequately;
    - (ii) Forward to the Board of Directors any proposals for the recruitment of Independent External Directors, for their appointment through co-option or submission of the matter to vote at the General Shareholders' Meeting, as well as proposals for the re-election or removal of said Directors by the General Shareholders' Meeting, subject to an advance assessment of the quality of work and dedication of the Directors whose re-election is proposed.
    - (iii) Inform on nomination proposals, for appointment through co-option or submission of the matter to vote at the General Shareholders' Meeting, as well as on proposals for the re-election or removal at the General Shareholders' Meeting of Directors other than those referred to in the foregoing paragraph (ii).
    - (iv) Inform on the appointment and termination of Directors or Chief Executive Officers.
    - (v) Inform on proposals for the nomination and removal of the Chairman, Vice-Chairmans, Secretary and Vice-Secretary of the Board of Directors and the Directors who are to sit on the different Committees contemplated in these Regulations.
    - (vi) Nominate the Lead Director.
    - (vii) Ensure that the Director recruitment policy favors diversity in knowledge, experience, and gender.
    - (viii) Establish a representation target for the lesser represented gender on the Board of Directors and prepare guidelines on how to attain said objective.
    - (ix) Study and organize, howsoever shall be deemed fit, the succession of the Chairman and/or where appropriate submit proposals to the Board to ensure that such succession is made in a planned and orderly manner.



- b) Inform on appointments of Senior Executives of the Group.
  - c) Other duties:
    - (i) Inform the Board on the compliance by Directors of the principles of corporate governance or the obligations established in the Bylaws or these Regulations. Likewise the Committee is responsible for admonishing those Directors who have breached their obligations as such.
    - (ii) Review the Annual Corporate Governance Report prior to its approval by the Board of Directors, to check the nature attributed to each Director (executive, Proprietary, Independent or Other External).
    - (iii) Any others related to the matters within its mandate and requested by the Board of Directors or its Chairman.
    - (iv) Provide advance notice to the Board of Directors in those cases provided by the Law and the Company's internal guidelines, particularly in respect of Articles 20 and 23 of these Regulations, on the non-compete obligation and related-party transactions.
    - (v) Inform the Board of Directors in any case in which it or its Chairman requests to be informed.
5. The Committee shall meet whenever the Board or the Chairman of the Board requests the issuance of reports or adoption of proposals within the scope of its duties, and in any case whenever called by the Committee Chairman, requested by two of its members or when compulsory reports are to be issued for the adoption of the corresponding resolutions.
6. Any member of the management or employees of the Company so required shall be obliged to attend Committee meetings, collaborate and provide access to whatever information they may have.
- The Committee may seek counseling by lawyers or other external professionals to ensure optimum performance of its duties, in which case the Secretary of the Board of Directors, at the request of the Committee Chairman, shall do whatsoever may be necessary to engage the services of the required lawyers and professionals, who shall report directly to the Committee.
7. In the performance of its duties, the Nomination Committee shall consult the Chairman of the Board of Directors, especially concerning issues regarding Executive Directors and Senior Executives.
- Any Director may request the Committee to consider potential candidates whom he/she considers suitable to fill vacancies on the Board.
8. The Chairman of the Committee shall regularly report to the Board of Directors on the progress of its operations.
- At least once a year, the Committee shall evaluate its procedures and the quality and efficiency of its work, reporting to the Board.



9. The Secretary shall issue minutes of the resolutions adopted at each meeting, which shall be made available to the Board members.
10. The provisions of these Regulations concerning the functioning and actions of the Board of Directors shall be applicable to this Committee insofar as this is possible according to its nature and duties.

#### **Article 36. Remuneration Committee**

1. The Remuneration Committee shall be composed entirely by External or Non-Executive Directors, and shall consist of no fewer than three Directors appointed by the Board of Directors, taking account of the expertise, skills and experience of the Directors and the mandate of the Committee. Most of its members shall be Independent External Directors.
2. The Committee shall appoint one of its members to be Chairman, who shall necessarily be an Independent External Director. The Secretary of the Board shall be Secretary of the Committee.
3. The Board shall appoint the members of this Committee for a term of four years. Without prejudice to one or several re-elections, they shall retire at the end of that term, when they retire from the Board or whenever so resolved by the Board of Directors, following a report by the Audit and Control Committee.
4. Notwithstanding any other duties set forth in the Bylaws and these Regulations, this Committee shall have the following duties:
  - a) Propose to the Board its pay policy, assessing the responsibility, dedication and incompatibilities required of Directors and, in the case of Executive Directors, propose an additional remuneration for their executive duties and other terms and conditions of their contracts.
  - b) Propose a pay policy to the Board of Directors for directors or any individual carrying out a Senior Management role under the direct supervision of the Board. This Committee shall also analyze proposed multi-year incentive schemes for the Senior Executives of the group, particularly those linked to the share value, and be informed on the essential aspects of the Company's general pay policy.
  - c) Propose to the Board of Directors the basic conditions of the contracts of senior executives.
  - d) Review compliance with the Company's established pay policy.
  - e) Periodically review the pay policy applicable to directors and senior executives, including remuneration systems with actions and application thereof.
  - f) Ensure that any conflicts of interest do not impair the impartiality of the external advisory services rendered to the Committee.
  - g) Verify the information on director and senior executive remuneration contained in the



various corporate documents, including the Annual Directors' Remuneration Report.

- h) Any other duties related to matters within its mandate and requested by the Board or its Chairman.
  - i) Provide advance notice to the Board in those cases provided by the Law and the Company's internal guidelines, particularly in respect of Articles 21 and 22 of these Regulations, on the use of information and corporate assets for private objectives, such as the pursuit of business opportunities.
  - j) Inform the Board of Directors in any case in which it or its Chairman requests to be informed.
5. The Committee shall meet whenever the Board or the Chairman of the Board requests the issuance of reports or adoption of proposals within the scope of its duties, and in any case whenever called by the Committee Chairman, requested by two of its members or when compulsory reports are to be issued for the adoption of the corresponding resolutions.
6. Any member of the management or employees of the Company so required shall be obliged to attend Committee meetings, collaborate and provide access to whatever information they may have.
- The Committee may seek counseling by lawyers or other external professionals to ensure optimum performance of its duties, in which case the Secretary of the Board, at the request of the Committee Chairman, shall do whatsoever may be necessary to engage the services of the required lawyers and professionals, who shall report directly to the Committee.
7. In the performance of its duties, the Remuneration Committee shall consult the Chairman of the Board, especially concerning issues regarding Executive Directors and Senior Executives.
- Any Director may request the Committee to consider potential candidates whom he/she considers suitable to fill vacancies on the Board.
8. The Chairman of the Committee shall regularly report to the Board on the progress of its operations.
9. At least once a year, the Committee shall evaluate its procedures and the quality and efficiency of its work, reporting to the Board.
10. The Secretary shall issue minutes of the resolutions adopted at each meeting, which shall be made available to the Board members.
11. The provisions of these Regulations concerning the functioning and actions of the Board of Directors shall be applicable to this Committee insofar as this is possible according to its nature and duties.

### **Article 37. Sustainability Committee**

1. The Sustainability Committee shall consist solely of no fewer than three External or non-Executive Directors, the majority of whom will be Independent External Directors



appointed by the Board of Directors, taking account of the expertise, skills and experience of the Directors and the duties of the Committee.

2. The Committee shall appoint one of its members to be Chairman. The Secretary of the Board of Directors shall be Secretary of the Committee.
3. The Board shall appoint the members of this Committee for a term of four years. Without prejudice to one or several re-elections, they shall retire at the end of that term, when they retire from the Board or whenever so resolved by the Board of Directors, following a report by the Nomination Committee.
4. This Committee shall have the following duties:
  - a) Be familiar with and steer the Repsol Group's policy, objectives and guidelines in the area of environment and safety. Regularly review the Company's performance in terms of safety and environment, with the purpose of reviewing the effectiveness of the aforementioned policies, objectives and guidelines, as well as confirming that the operations are managed in a safe and environmentally responsible manner.
  - b) Be familiar with, analyze, and report to the Board of Directors on the expectations of the various Company stakeholders, such as the financial community and its shareholders, employees, customers, suppliers, and society-at-large, in matters within its scope.
  - c) Propose for the Board of Director's approval a strategy and sustainability policy, and review it periodically in view of the rules on Corporate Governance and propose any updates to the Board of Directors, to the ends of furthering the public interest and maximizing the Company's long-term value for all stakeholders.
  - d) Oversee stakeholder relations processes, particularly with shareholders and investors, including small and medium shareholders, and likewise the information reported to them in matters within its scope.
  - e) Be familiar with, promote, steer, and oversee the Company's objectives, action plans, and practices in social sustainability areas, including human rights, health, safety and occupational risk prevention, employment, diversity and inclusion, equal opportunity and reconciliation, ethics and conduct, environment, biodiversity, climate change measures, emissions reduction, community relations, as well as the efficient and responsible use of resources. The evaluation of compliance therewith shall also correspond to it.
  - f) Be familiar with and revise the existing indices and indicators for evaluating the Company's positioning on sustainability.
  - g) Be familiar with the legal changes that may have a significant influence on the Company in terms of sustainability, as well as emerging trends in sustainability, such as circular economy or natural capital, in order to develop action plans as may be appropriate.





- h) Any other matters related to matters falling within its mandate and at the request of the Board of Directors and its Chairman.
5. The Committee shall meet with the established frequency or whenever called by its Chairman or requested by two of its members.
  6. Any member of the management or employees of the Company so required shall be obliged to attend Committee meetings, collaborate and provide access to whatever information they may have.
  7. The Committee may seek counseling by lawyers or other external professionals to ensure optimum performance of its duties, in which case the Secretary of the Board of Directors, at the request of the Committee Chairman, shall do whatsoever may be necessary to engage the services of the required lawyers and professionals, who shall report directly to the Committee.
  8. The Chairman of the Committee shall regularly report to the Board of Directors on the progress of its actions and propose such measures as he/she may deem fit within the scope of his duties.  
  
At least once a year, the Committee shall assess its procedures and the quality and efficiency of its work, reporting to the Board.
  9. The Secretary shall issue minutes of the resolutions adopted at each meeting, which shall be made available to the Board members.
  10. The provisions of these Regulations concerning the functioning and actions of the Board of Directors shall be applicable to this Committee insofar as this is possible according to its nature and duties.

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