



**Report issued by the Audit Committee of the Board of Directors of Applus Services, S.A. in connection with the proposal to modify the Regulations of the Board of Directors by including a new article 41, in connection with the Corporate Social Responsibility Committee**

*NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail*

## **I. Introduction**

This report is issued and unanimously approved by the members of the Audit Committee of the company Applus Services, S.A. (hereinafter, “**Applus**” or the “**Company**”), by written procedure in lieu of a meeting, pursuant to article 28.2 of the By-laws as referred from article 39.9 of the Regulations of the Board of Directors, procedure to which no member of the Audit Committee has objected.

The proposed amendment aims to introduce the regulations of a Corporate Social Responsibility Committee, which main purpose would be to promote the implementation of the Corporate Social Responsibility Policy to be approved, where appropriate, by the Board of Directors. In this regard, this report justifies the proposal for inclusion of a new article 41 to the Regulations of the Board of Directors in force.

The proposed amendment will be submitted for approval to the Board of Directors of the Company in its meeting to be held on 14 December 2015.

This report is issued by the Audit Committee of Applus in compliance with the provisions of articles 4 and 39.7 d) (iv) of the Regulations of the Board of Directors, which authorize the Audit Committee to prepare reports on the proposed modification to the aforementioned Regulations.

## **II. Report and scope of the proposed amendment**

In order to implement the recommendations of the current Good Governance Code of Listed Companies, released by CNMV on February 2015, as well as best practices in corporate social responsibility, it is advisable the identification and allocation of specific functions in this matter to a specialized committee and therefore its regulation through a new article in the Regulations of the Board of Directors.

## **III. Detailed explanation of the proposed amendments**

It is proposed the inclusion of a new article 41 to the Regulations of the Board of Directors which, in case it is approved, shall read as established in the Sole Annex attached hereto.

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In Barcelona, on 14 December 2015

## Annex

### Article 41.- Corporate Social Responsibility Committee

- 41.1 *The Company shall have a Corporate Social Responsibility Committee comprising a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors, for a term not exceeding their mandate as Directors without prejudice of being able to be re-elected to the extent that they are also as Directors. The Board of Directors shall appoint the Corporate Social Responsibility Committee Members on the basis of their knowledge, skills and experience and the duties of the Corporate Social Responsibility Committee.*
- 41.2 *The majority of the members of the Corporate Social Responsibility Committee shall be Independent Directors.*
- 41.3 *The Corporate Social Responsibility Committee shall elect a Chairman, among the Independent Directors. In addition, it shall appoint a Secretary, who may not be a member of said Committee, and who shall assist the Chairman and shall provide for the correct operation of the Committee, being in charge of that the minutes reflect the progress of the meetings and the content of the discussions and decisions taken.*
- 41.4 *Members of the Corporate Social Responsibility Committee shall resign when they cease to be Directors, or when so agreed by the Board of Directors.*
- 41.5 *The main function of the Corporate Social Responsibility Committee is to promote the implementation of the Corporate Social Responsibility Policy of the Company and in particular the management of corporate governance matters, corporate social responsibility, ethic and transparency as well as advice the Board of Directors within its field of competence.*
- 41.6 *Without prejudice to other competences that are attributed to the Corporate Social Responsibility Committee, it shall have at least, the following functions:*
- i. Promote the Corporate Social Responsibility strategy of the Company and of the Applus+ Group to ensure the adoption and effective implementation of good practices in matters of corporate social responsibility, governance, ethics and transparency and ensuring consideration of the expectations of the various stakeholders in the framework of value creation.*
  - ii. Submit to the Board of Directors the initiatives and proposals it deems appropriate and inform the proposals submitted for the consideration thereof, ensuring that the business strategy of the Company is aligned with the values of the Corporate Social Responsibility Policy approved by the Board of Administration.*
  - iii. In particular, design, define and approve development plans and initiatives for the achievement of the goals previously set according to the Corporate Social Responsibility Policy of the Company and such other policies or codes that, within the scope of their functions, may promote.*
  - iv. Likewise, define the organization and coordination necessary for the implementation of such initiatives and strategies for Corporate Social Responsibility including, if necessary, the possibility of appointing committees to monitor specific areas or, in its view, may require specialized dedication.*
  - v. Assess, review and monitor the development and implementation of initiatives and plans of the Company in implementing the Corporate Social Responsibility Policy, by tracking their compliance with the indicators defined.*

- vi. *Report, prior to its approval by the Board of Directors, the annual Corporate Social Responsibility report and coordinate whenever necessary the report process of non-financial information of the same in accordance with applicable regulations and international reference standards.*
  - vii. *Issue reports and take such other actions as may also fall within its power or may be requested by the Board of Directors or the chairman thereof regarding the Corporate Social Responsibility.*
- 41.7 *For the better performance of its duties the Corporate Social Responsibility Committee may seek the advice of external professionals, for which purpose it shall apply the provisions of the Article 26 of this Regulations.*
- 41.8 *Likewise, the Corporate Social Responsibility Committee may delegate its functions to Specialized Committees.*
- The Corporate Social Responsibility Committee shall always be apprised of the matters addressed and the decisions taken by any other Committees that it may constitute for the better performance of its functions.*
- 41.9 *The Corporate Social Responsibility Committee will regulate its own functioning, being the statutory provisions relating to the functioning of the Board of Directors, applicable on an ancillary basis to the extent that its nature and functions make it possible.*
- 41.10 *The Corporate Social Responsibility Committee shall meet as many times as deemed necessary and, in addition, each time its Chairman convenes it, or at the request of two (2) of its members. Annually, the Corporate Social Responsibility Committee shall prepare a plan of action for the year on which it will report to the Board of Directors.*
- 41.11 *Minutes of each meeting shall be signed by the members of the Corporate Social Responsibility Committee who attended thereof. The minutes shall be sent to all the members of the Board of Directors.*
- 41.12 *Any member of the management team and of Applus+ Group personnel, who are required for such a purpose, will be required to attend the sessions of the Corporate Social Responsibility Committee and to provide their cooperation and access to the information which they possess.*
- 41.13 *The Corporate Social Responsibility Committee will have access to the necessary information for the performance of its functions.*
- 41.14 *The Chairman of the Corporate Social Responsibility Committee will report on its activities in the first plenary session of the Board of Directors following the meeting of the Corporate Social Responsibility Committee. Annually, the Corporate Social Responsibility Committee will submit a report to the Board of Directors on its performance.*