



**Report issued by the Board of Directors of Applus Services, S.A. to justify the appointment of Mr. Claudi Santiago Ponsa as Independent Director of the Company**

*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 and purpose of the report**

This Report is issued and approved by the Board of Directors of Applus Services, S.A. (hereinafter, “**Applus**” or the “**Company**”), in accordance with the provisions of article 529 decies of the Spanish Companies Act and article 14.1 of the Regulations of the Board of Directors of Applus, to justify the appointment of Mr. Claudi Santiago Ponsa as new member of the Board of Directors of the Company, qualifying as Independent Director.

The appointment of Mr. Claudi Santiago Ponsa has been approved by the Board of Directors through a written resolution dated 22 September 2016, at the proposal of the Appointments and Compensations Committee, in order to cover one of the three vacancies created on 9 May 2016 as a result of the resignation of the former proprietary directors representing Carlyle.

In this regard, the Appointments and Compensations Committee has considered it appropriate that at least two of such vacancies may be filled in by independent directors, thereby reinforcing their weight within the Board of Directors in accordance with the best international standards on corporate governance. It is worth noting that the Appointments and Compensation Committee has taken the advice of a well reputed executive search company in the selection process of the candidates to fill in those vacancies.

It is expressly noted that the appointment of Mr. Santiago will be submitted to the next General Shareholders’ Meeting for ratification. To this effect, and as provided for in article 518 of the Spanish Companies Act and article 8 of the Regulation of the General Shareholders’ Meeting of Applus, this Report will be made available to the shareholders at the Company’s registered office and published uninterruptedly in the corporate website of the Company as from the date of the announcement of the calling until the holding of said General Shareholders’ Meeting.

## **II. Profile of the director and assessment of his circumstances**

Mr. Claudi Santiago Ponsa holds a Master's Degree in Computer Science from the Universitat Autònoma de Barcelona and completed postgraduate studies from INSEAD in Fontainebleau (France) and Georgetown University in Washington D.C. (USA). Mr. Santiago held different executive positions at General Electric, including Senior Vice President of GE and President and CEO of GE Oil & Gas, a \$15 billion revenue oilfield service business. Currently, he serves as Managing Director and Chief Operating Officer at First Reserve Corporation, having the responsibility for the management of the firm’s operations.

In view of Mr. Santiago's remarkable experience and professional career, and as recommended by the Appointments and Compensations Committee, the Board of Directors has considered that he is the appropriate candidate to fill in one of the vacancies existing in the Board.

In particular, Mr. Claudi Santiago Ponsa meets the conditions of impartiality, objectivity, professional reputation, competence and experience required to become a member of Applus' Board of Directors. In addition, the Appointments and Compensation Committee has verified that Mr. Santiago has sufficient time available to properly perform his duties as Director in Applus.

### **III. Category of the director**

Having verified that Mr. Santiago meets the requirements set forth in article 529 duodecies of the Spanish Companies Act, the Board of Directors considers that Mr. Claudi Santiago Ponsa may perform his duties without being conditioned by his relations with the Company, its significant shareholders or its management, and accordingly he is qualified as Independent Director.

For all appropriate purposes, it is expressly noted that Mr. Santiago has confirmed that he is not affected by any incompatibility for the exercise of the position of Independent Director, as provided for in Act 3/2015, of March 30<sup>th</sup>, and other applicable state and regional regulations..

In Bellaterra, Cerdanyola del Vallès (Barcelona), on 22 September 2016